



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015
OF THE CONDITION AND AFFAIRS OF THE

HealthSpring Life & Health Insurance Company, Inc.

NAIC Group Code09010901NAIC Company Code12902Employer's ID Number20-8534298
(Current)(Prior)

Organized under the Laws ofTexas, State of Domicile or Port of EntryTexas

Country of DomicileUnited States of America

Licensed as business type:Life, Accident & Health

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized02/27/2007Commenced Business02/27/2007

Statutory Home Office2900 North Loop West, Suite 1300Houston , TX, US 77092
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office530 Great Circle RoadNashville , TN, US 37228615-291-7000
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address530 Great Circle RoadNashville , TN, US 37228
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records530 Great Circle RoadNashville , TN, US 37228615-291-7000
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.cignahealthspring.com

Statutory Statement ContactBeth Ann Hollingsworth615-564-3445
(Name)(Area Code) (Telephone Number)

regulatory@healthspring.com615-401-4566
(E-mail Address)(FAX Number)

OFFICERS

President, Chairman & Chief Executive Officer	Matthew Shawn Morris	Vice President & Secretary	Brent Jason Sanders #
Chief Financial Officer	Ryan Bruce McGroarty	Corporate Medical Director	Dirk Oliver Wales MD

OTHER

Sheffield Hoover Young #, Divisional President	Jay Landon Hurt, Divisional President	Peter Ronald Gardner, Vice President
Kristinn Klunkert Benton, Vice President	Allen Curtis Perez, Vice President	David Bradley Holladay, President, Government Pharmacy Services
Richard Alan Appel, Compliance Officer	Gregory Nicholas Malone, Appointed Actuary	Scott Ronald Lambert, Vice President & Treasurer
Maureen Hardiman Ryan, Vice President & Assistant Treasurer	Jumana Nadeem Siddiqui, Assistant Treasurer	Kevin James Oleksak, Assistant Secretary
Rhiannon Ashley Bernier, Assistant Secretary	Anna Krishtul, Assistant Secretary	

DIRECTORS OR TRUSTEES

Jay Landon Hurt	Brent Jason Sanders #	Ryan Bruce McGroarty
Peter Ronald Gardner	Sheffield Hoover Young #	

State of Maryland SS:
County of Harford

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Matthew Shawn Morris President, Chairman and Chief Executive Officer	Ryan Bruce McGroarty Chief Financial Officer	Brent Jason Sanders # Vice President and Secretary
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Subscribed and sworn to before me this
day of February, 2016

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

Christina Y. Schneider
Notary Public
October 31, 2016

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	303,800,475		303,800,475	273,829,942
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$			0	0
encumbrances)				
4.2 Properties held for the production of income (less				
\$			0	0
encumbrances)				
4.3 Properties held for sale (less \$			0	0
encumbrances)				
5. Cash (\$16,150,346 , Schedule E - Part 1), cash equivalents				
(\$63,403,433 , Schedule E - Part 2) and short-term				
investments (\$480,787 , Schedule DA)	80,034,566		80,034,566	15,296,468
6. Contract loans, (including \$0 premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)			0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	383,835,041	0	383,835,041	289,126,410
13. Title plants less \$0 charged off (for Title insurers				
only)			0	0
14. Investment income due and accrued	3,407,175	0	3,407,175	3,214,960
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	40,932,230		40,932,230	25,234,192
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$0				
earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$0) and				
contracts subject to redetermination (\$0)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	144,178,200		144,178,200	140,570,807
18.1 Current federal and foreign income tax recoverable and interest thereon	2,958,102		2,958,102	16,353,714
18.2 Net deferred tax asset	9,859,894	599,818	9,260,076	18,323,989
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets				
(\$0)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	116,408
24. Health care (\$24,826,014) and other amounts receivable	33,142,749	8,316,735	24,826,014	92,581,290
25. Aggregate write-ins for other than invested assets	4,556,956	0	4,556,956	528,265
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	622,870,348	8,916,553	613,953,794	586,050,035
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts			0	0
28. Total (Lines 26 and 27)	622,870,348	8,916,553	613,953,794	586,050,035
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Health Insurance Industry Fee Reimbursement	4,164,724	0	4,164,724	
2502. State Income Taxes Recoverable	392,016		392,016	528,265
2503. Provider Pass Thru Payment from State of Texas	216		216	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	4,556,956	0	4,556,956	528,265

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$0 reinsurance ceded)	122,186,809	21,177,751	143,364,561	134,709,867
2. Accrued medical incentive pool and bonus amounts	9,230,620		9,230,620	9,702,137
3. Unpaid claims adjustment expenses		2,287,110	2,287,110	1,932,730
4. Aggregate health policy reserves, including the liability of \$776,727 for medical loss ratio rebate per the Public Health Service Act	28,933,017		28,933,017	59,292,828
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	6,632		6,632	136,632
9. General expenses due or accrued	8,446,856		8,446,856	2,100,569
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	0		0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	3,303,316		3,303,316	3,420,881
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	74,050,177		74,050,177	45,583,353
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	0		0	0
23. Aggregate write-ins for other liabilities (including \$ current)	16,954,542	0	16,954,542	436,430
24. Total liabilities (Lines 1 to 23)	263,111,970	23,464,861	286,576,831	257,315,426
25. Aggregate write-ins for special surplus funds	XXX	XXX	30,531,093	29,286,730
26. Common capital stock	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	116,703,127	116,703,127
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	177,642,743	180,244,751
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	327,376,963	328,734,609
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	613,953,794	586,050,035
DETAILS OF WRITE-INS				
2301. Nursing Facility Pass Through Accrual	16,954,542		16,954,542	
2302. Fines and Penalties			0	436,430
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	16,954,542	0	16,954,542	436,430
2501. Health Insurance Industry Fee	XXX	XXX	30,531,093	29,286,730
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	30,531,093	29,286,730
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,959,109	6,328,529
2. Net premium income (including \$ non-health premium income)	XXX	2,209,296,062	2,203,228,301
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	
4. Fee-for-service (net of \$ medical expenses)	XXX	0	
5. Risk revenue	XXX	0	
6. Aggregate write-ins for other health care related revenues	XXX	4,203,769	2,193,390
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	2,213,499,831	2,205,421,691
Hospital and Medical:			
9. Hospital/medical benefits		1,318,109,140	964,452,655
10. Other professional services		31,542,747	28,270,158
11. Outside referrals	229,297,140	229,297,140	293,500,109
12. Emergency room and out-of-area	6,799,073	45,919,506	29,285,943
13. Prescription drugs		193,890,108	524,677,892
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		(3,577,293)	(16,937,351)
16. Subtotal (Lines 9 to 15)	236,096,213	1,815,181,348	1,823,249,406
Less:			
17. Net reinsurance recoveries		0	
18. Total hospital and medical (Lines 16 minus 17)	236,096,213	1,815,181,348	1,823,249,406
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$130,673,460 cost containment expenses	143,828,585	143,828,585	140,299,062
21. General administrative expenses		223,274,842	192,290,949
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		(30,245,047)	36,019,852
23. Total underwriting deductions (Lines 18 through 22).....	379,924,797	2,152,039,728	2,191,859,269
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	61,460,103	13,562,421
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		8,499,029	9,144,467
26. Net realized capital gains (losses) less capital gains tax of \$47,025		(48,018)	899,530
27. Net investment gains (losses) (Lines 25 plus 26)	0	8,451,012	10,043,997
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		(573,733)	(6,313,079)
29. Aggregate write-ins for other income or expenses	0	(33,421)	(12,216)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	69,303,961	17,281,124
31. Federal and foreign income taxes incurred	XXX	23,249,251	23,867,183
32. Net income (loss) (Lines 30 minus 31)	XXX	46,054,710	(6,586,059)
DETAILS OF WRITE-INS			
0601. Health Industry Fee Recoupment	XXX	4,203,769	2,193,390
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	4,203,769	2,193,390
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. Penalties and Fines	0	(33,421)	(12,216)
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	(33,421)	(12,216)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	328,734,609	384,734,967
34. Net income or (loss) from Line 32	46,054,710	(6,586,059)
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ (163,142)	(302,977)	
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	(9,269,831)	8,934,918
39. Change in nonadmitted assets	(5,339,547)	(949,217)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders	(32,500,000)	(57,400,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(1,357,646)	(56,000,358)
49. Capital and surplus end of reporting period (Line 33 plus 48)	327,376,963	328,734,609
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	2,194,942,198	2,168,767,220
2. Net investment income	12,813,602	15,692,058
3. Miscellaneous income	2,232,435	0
4. Total (Lines 1 through 3)	2,209,988,235	2,184,459,278
5. Benefit and loss related payments	1,746,829,403	1,868,292,686
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	349,541,307	451,539,024
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	9,900,664	40,244,044
10. Total (Lines 5 through 9)	2,106,271,373	2,360,075,754
11. Net cash from operations (Line 4 minus Line 10)	103,716,862	(175,616,476)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	57,223,619	117,261,765
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	1,066	(1,498)
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	57,224,685	117,260,267
13. Cost of investments acquired (long-term only):		
13.1 Bonds	92,169,111	65,856,051
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	92,169,111	65,856,051
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(34,944,426)	51,404,216
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	32,500,000	57,400,000
16.6 Other cash provided (applied)	28,465,663	10,239,580
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(4,034,337)	(47,160,420)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	64,738,098	(171,372,680)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	15,296,468	186,669,148
19.2 End of year (Line 18 plus Line 19.1)	80,034,566	15,296,468

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	2,209,296,062						1,381,577,147	825,835,340	1,883,575	
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	4,203,769	0	0	0	0	0	0	4,203,769	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	2,213,499,831	0	0	0	0	0	1,381,577,147	830,039,109	1,883,575	0
8. Hospital/medical benefits	1,318,109,140						818,039,710	500,069,430		XXX
9. Other professional services	31,542,747						26,855,649	4,687,098		XXX
10. Outside referrals	229,297,140						154,990,912	74,306,228		XXX
11. Emergency room and out-of-area	45,919,506						31,185,779	14,733,727		XXX
12. Prescription drugs	193,890,108						98,837,191	104,928,877	(9,875,961)	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	(3,577,293)						(4,768,722)	1,191,429		XXX
15. Subtotal (Lines 8 to 14)	1,815,181,348	0	0	0	0	0	1,125,140,520	699,916,789	(9,875,961)	XXX
16. Net reinsurance recoveries	0									XXX
17. Total medical and hospital (Lines 15 minus 16)	1,815,181,348	0	0	0	0	0	1,125,140,520	699,916,789	(9,875,961)	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 130,673,460 cost containment expenses	143,828,585						86,983,297	56,826,301	18,986	
20. General administrative expenses	223,274,842						119,527,844	103,244,902	502,097	
21. Increase in reserves for accident and health contracts	(30,245,047)							(30,245,047)		XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	2,152,039,729	0	0	0	0	0	1,331,651,662	829,742,945	(9,354,878)	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	61,460,103	0	0	0	0	0	49,925,485	296,164	11,238,453	0
DETAILS OF WRITE-INS										
0501. Health Industry Fee Recoupment	4,203,769							4,203,769		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	4,203,769	0	0	0	0	0	0	4,203,769	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)				0
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	1,381,577,147			1,381,577,147
7. Title XIX - Medicaid	825,835,340			825,835,340
8. Other health	1,883,575			1,883,575
9. Health subtotal (Lines 1 through 8)	2,209,296,062	0	0	2,209,296,062
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	2,209,296,062	0	0	2,209,296,062

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	1,749,935,179						1,126,594,168	688,272,236	(64,931,225)	
1.2 Reinsurance assumed	.0									
1.3 Reinsurance ceded	.0									
1.4 Net	1,749,935,179	.0	.0	.0	.0	.0	1,126,594,168	688,272,236	(64,931,225)	.0
2. Paid medical incentive pools and bonuses	(3,105,776)						(4,105,533)	999,757		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	143,364,561	.0	.0	.0	.0	.0	81,712,296	57,066,338	4,585,927	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	143,364,561	.0	.0	.0	.0	.0	81,712,296	57,066,338	4,585,927	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	.0									
4.2 Reinsurance assumed	.0									
4.3 Reinsurance ceded	.0									
4.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year	9,230,620						9,038,948	191,672		
6. Net healthcare receivables (a)	(60,168,769)						508,438	1,940,151	(62,617,358)	
7. Amounts recoverable from reinsurers December 31, current year	.0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	134,709,867	.0	.0	.0	.0	.0	77,888,784	44,673,063	12,148,021	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net	134,709,867	.0	.0	.0	.0	.0	77,888,784	44,673,063	12,148,021	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	.0									
9.2 Reinsurance assumed	.0									
9.3 Reinsurance ceded	.0									
9.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	9,702,137						9,702,137			
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	1,818,758,641	.0	.0	.0	.0	.0	1,129,909,242	698,725,360	(9,875,961)	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.4 Net	1,818,758,641	0	0	0	0	0	1,129,909,242	698,725,360	(9,875,961)	0
13. Incurred medical incentive pools and bonuses	(3,577,293)	0	0	0	0	0	(4,768,722)	1,191,429	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	17,580,938						12,917,993	77,018	4,585,927	
1.2 Reinsurance assumed .....	.0									
1.3 Reinsurance ceded .....	.0									
1.4 Net	17,580,938	.0	.0	.0	.0	.0	12,917,993	77,018	4,585,927	.0
2. Incurred but Unreported:										
2.1 Direct	125,783,623						68,794,303	56,989,320		
2.2 Reinsurance assumed .....	.0									
2.3 Reinsurance ceded .....	.0									
2.4 Net	125,783,623	.0	.0	.0	.0	.0	68,794,303	56,989,320	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.0									
3.2 Reinsurance assumed .....	.0									
3.3 Reinsurance ceded .....	.0									
3.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:										
4.1 Direct	143,364,561	.0	.0	.0	.0	.0	81,712,296	57,066,338	4,585,927	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	143,364,561	0	0	0	0	0	81,712,296	57,066,338	4,585,927	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	34,815,371	1,091,778,797	1,267,871	80,444,425	36,083,242	77,888,784
7. Title XIX - Medicaid	31,787,641	656,484,594	55,203	57,011,135	31,842,844	44,673,063
8. Other health	(65,098,671)	167,446	4,585,512	415	(60,513,159)	12,148,021
9. Health subtotal (Lines 1 to 8)	1,504,341	1,748,430,838	5,908,587	137,455,974	7,412,928	134,709,867
10. Healthcare receivables (a)			5,339,962	27,802,787	5,339,962	93,311,519
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	3,485,625	(6,591,401)	2,140,345	7,090,275	5,625,970	9,702,137
13. Totals (Lines 9 - 10 + 11 + 12)	4,989,966	1,741,839,437	2,708,970	116,743,462	7,698,936	51,100,486

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	47,055	47,331	47,211	47,212	47,212
2.	2011	781,486	845,545	845,709	845,638	845,638
3.	2012	XXX	900,535	963,970	965,280	965,322
4.	2013	XXX	XXX	1,008,100	1,082,842	1,083,037
5.	2014	XXX	XXX	XXX	1,055,722	1,093,785
6.	2015	XXX	XXX	XXX	XXX	1,083,679

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	200,467	47,331	47,211	47,212	47,212
2.	2011	860,109	847,455	845,709	845,638	845,638
3.	2012	XXX	993,636	966,554	965,280	965,322
4.	2013	XXX	XXX	1,118,117	1,086,378	1,083,037
5.	2014	XXX	XXX	XXX	1,139,777	1,097,193
6.	2015	XXX	XXX	XXX	XXX	1,171,022

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	1,104,518	845,638	49,137	5.8	894,775	81.0			894,775	81.0
2. 2012	1,239,906	965,322	67,270	7.0	1,032,592	83.3			1,032,592	83.3
3. 2013	1,310,114	1,083,037	60,497	5.6	1,143,534	87.3			1,143,534	87.3
4. 2014	1,363,018	1,093,785	83,542	7.6	1,177,327	86.4	3,408	48	1,180,784	86.6
5. 2015	1,388,482	1,083,679	76,277	7.0	1,159,956	83.5	87,343	1,243	1,248,542	89.9

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	0	0	0	0	0
2.	2011	2,899	4,622	4,601	4,601	4,601
3.	2012	XXX	170,142	184,132	183,924	183,829
4.	2013	XXX	XXX	248,602	265,800	265,837
5.	2014	XXX	XXX	XXX	314,211	346,056
6.	2015	XXX	XXX	XXX	XXX	655,544

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	0	0	0	0	0
2.	2011	4,932	4,635	4,601	4,601	4,601
3.	2012	XXX	194,730	184,408	183,924	183,829
4.	2013	XXX	XXX	265,307	265,850	265,837
5.	2014	XXX	XXX	XXX	358,835	346,111
6.	2015	XXX	XXX	XXX	XXX	712,747

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	6,812	4,601	0	0.0	4,601	67.5			4,601	67.5
2. 2012	208,756	183,829	(9)	0.0	183,819	88.1			183,819	88.1
3. 2013	316,539	265,837	3,089	1.2	268,926	85.0			268,926	85.0
4. 2014	408,639	346,056	29,280	8.5	375,336	91.9	55	1	375,392	91.9
5. 2015	830,045	655,544	49,937	7.6	705,481	85.0	57,203	995	763,678	92.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	.....(31,995)	.....(31,995)	.....(31,995)	.....(31,995)	.....(31,995)
2.	2011 .....	.....837,213	.....799,307	.....799,307	.....799,307	.....799,307
3.	2012 .....	.....XXX	.....559,119	.....553,148	.....553,148	.....553,148
4.	2013 .....	.....XXX	.....XXX	.....409,630	.....392,307	.....392,307
5.	2014 .....	.....XXX	.....XXX	.....XXX	.....409,957	.....344,858
6.	2015 .....	.....XXX	.....XXX	.....XXX	.....XXX	.....62,785

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	.....9,582	.....(31,995)	.....(31,995)	.....(31,995)	.....(31,995)
2.	2011 .....	.....905,505	.....799,561	.....799,307	.....799,307	.....799,307
3.	2012 .....	.....XXX	.....616,672	.....555,636	.....553,148	.....553,148
4.	2013 .....	.....XXX	.....XXX	.....454,260	.....395,654	.....392,307
5.	2014 .....	.....XXX	.....XXX	.....XXX	.....418,758	.....349,443
6.	2015 .....	.....XXX	.....XXX	.....XXX	.....XXX	.....62,785

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011 .....	.....961,049	.....799,307	.....32,493	.....4.1	.....831,800	.....86.6			.....831,800	.....86.6
2. 2012 .....	.....719,125	.....553,148	.....14,800	.....2.7	.....567,948	.....79.0			.....567,948	.....79.0
3. 2013 .....	.....499,921	.....392,307	.....12,737	.....3.2	.....405,044	.....81.0			.....405,044	.....81.0
4. 2014 .....	.....431,570	.....344,858	.....27,716	.....8.0	.....372,574	.....86.3	.....4,586	.....0	.....377,160	.....87.4
5. 2015 .....	.....(9,346)	.....62,785	.....539	.....0.9	.....63,324	.....(677.6)	.....0	.....0	.....63,325	.....(677.6)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	15,060	15,336	15,216	15,217	15,217
2.	2011	1,621,597	1,649,475	1,649,618	1,649,547	1,649,547
3.	2012	XXX	1,629,795	1,701,250	1,702,351	1,702,299
4.	2013	XXX	XXX	1,666,332	1,740,949	1,741,181
5.	2014	XXX	XXX	XXX	1,779,889	1,784,699
6.	2015	XXX	XXX	XXX	XXX	1,802,008

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	210,049	15,336	15,216	15,217	15,217
2.	2011	1,770,547	1,651,651	1,649,617	1,649,547	1,649,547
3.	2012	XXX	1,805,038	1,706,598	1,702,351	1,702,299
4.	2013	XXX	XXX	1,837,684	1,747,881	1,741,181
5.	2014	XXX	XXX	XXX	1,917,369	1,792,748
6.	2015	XXX	XXX	XXX	XXX	1,946,554

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	2,072,379	1,649,547	81,630	4.9	1,731,177	83.5	0	0	1,731,177	83.5
2. 2012	2,167,787	1,702,299	82,061	4.8	1,784,359	82.3	0	0	1,784,359	82.3
3. 2013	2,126,574	1,741,181	76,323	4.4	1,817,505	85.5	0	0	1,817,505	85.5
4. 2014	2,203,228	1,784,699	140,538	7.9	1,925,237	87.4	8,049	49	1,933,335	87.8
5. 2015	2,209,181	1,802,008	126,753	7.0	1,928,761	87.3	144,546	2,238	2,075,545	94.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	14,982,414							14,982,414	
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	6,003,551						776,727	5,226,824	
5. Aggregate write-ins for other policy reserves	7,947,052	0	0	0	0	0	6,573,771	408,100	965,182
6. Totals (gross)	28,933,017	0	0	0	0	0	7,350,498	20,617,338	965,182
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	28,933,017	0	0	0	0	0	7,350,498	20,617,338	965,182
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. CMS Risk Corridor	7,947,052						6,573,771	408,100	965,182
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	7,947,052	0	0	0	0	0	6,573,771	408,100	965,182
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$14,982,414 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$0 for occupancy of own building)	3,027,250	249,534	5,940,681		9,217,465
2. Salary, wages and other benefits	54,372,993	7,122,488	94,005,541		155,501,023
3. Commissions (less \$0 ceded plus \$0 assumed)	13,117,499	1,075,277	25,954,850		40,147,625
4. Legal fees and expenses	1,500	10	11,536		13,046
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	8,143,983	2,552,842	15,821,137		26,517,963
7. Traveling expenses	1,813,339	170,783	3,339,873		5,323,995
8. Marketing and advertising	2,710,119	219,851	5,466,464		8,396,434
9. Postage, express and telephone	2,345,812	226,417	4,413,765		6,985,994
10. Printing and office supplies	2,271,755	191,554	4,200,049		6,663,358
11. Occupancy, depreciation and amortization					0
12. Equipment	450,853	46,613	873,023		1,370,489
13. Cost or depreciation of EDP equipment and software	(1,875)	(188)	(1,985)		(4,049)
14. Outsourced services including EDP, claims, and other services	35,389,253	196,992	3,454,327		39,040,573
15. Boards, bureaus and association fees	115,505	17,355	215,313		348,173
16. Insurance, except on real estate					0
17. Collection and bank service charges	72,428	5,982	279,203		357,613
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses	(19,798)	(1,635)	(38,406)		(59,839)
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			92,335		92,335
23.2 State premium taxes			15,004,352		15,004,352
23.3 Regulatory authority licenses and fees	115	11	189,401		189,528
23.4 Payroll taxes	3,219,512	427,827	5,482,730		9,130,069
23.5 Other (excluding federal income and real estate taxes)	37	3	31,287,149		31,287,189
24. Investment expenses not included elsewhere	0	0	0	328,933	328,933
25. Aggregate write-ins for expenses	3,643,180	653,407	7,283,505	0	11,580,091
26. Total expenses incurred (Lines 1 to 25)	130,673,460	13,155,124	223,274,842	328,933	(a) 367,432,360
27. Less expenses unpaid December 31, current year ..	2,077,922	209,188	8,446,856		10,733,965
28. Add expenses unpaid December 31, prior year	1,779,649	153,081	2,100,569		4,033,298
29. Amounts receivable relating to uninsured plans, prior year			140,570,807		140,570,807
30. Amounts receivable relating to uninsured plans, current year			144,178,200		144,178,200
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	130,375,188	13,099,017	220,535,948	328,933	364,339,086
DETAILS OF WRITE-INS					
2501. Other General Expenses	3,099,283	254,062	6,148,526		9,501,871
2502. Part D Admin Fees	410,879	34,344	860,793		1,306,017
2503. Stipends – Medical Director	133,017	10,620	269,686		413,323
2598. Summary of remaining write-ins for Line 25 from overflow page	0	354,380	4,500	0	358,880
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,643,180	653,407	7,283,505	0	11,580,091

(a) Includes management fees of \$283,417,838 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a) .....122,048	.....113,350
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....8,497,191	.....8,691,315
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments	(e) .....19,322	.....26,111
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....(492)	.....(492)
10.	Total gross investment income	8,638,069	8,830,284
11.	Investment expenses .....	.....	(g) .....328,933
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) .....0
13.	Interest expense .....	.....	(h) .....2,322
14.	Depreciation on real estate and other invested assets .....	.....	(i)
15.	Aggregate write-ins for deductions from investment income .....	.....	.....0
16.	Total deductions (Lines 11 through 15) .....	.....	.....331,255
17.	Net investment income (Line 10 minus Line 16)		8,499,029
DETAILS OF WRITE-INS			
0901.	Commitment Fee Income .....	.....(1,407)	.....(1,407)
0902.	Misc Inv Income .....	.....915	.....915
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	.....(492)	.....(492)
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$140,638 accrual of discount less \$4,647,425 amortization of premium and less \$304,981 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$26,702 accrual of discount less \$378 amortization of premium and less \$6,142 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$. investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	1,411	0	1,411	0	0
1.1	Bonds exempt from U.S. tax .....	.....	.....	0	.....	.....
1.2	Other bonds (unaffiliated)	(3,468)	0	(3,468)	(466,119)	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans .....	.....	0	0	0	0
4.	Real estate .....	.....	0	0	.....	0
5.	Contract loans .....	.....	.....	0	.....	.....
6.	Cash, cash equivalents and short-term investments	1,066	0	1,066	0	0
7.	Derivative instruments .....	.....	.....	0	.....	.....
8.	Other invested assets .....	.....	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	(991)	0	(991)	(466,119)	0
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued	0		0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection		10,793	10,793
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	599,818	642,595	42,777
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	8,316,735	2,923,619	(5,393,117)
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	8,916,553	3,577,006	(5,339,547)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	8,916,553	3,577,006	(5,339,547)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business.....	511,731	163,060	163,790	164,402	166,636	1,959,109
7. Total	511,731	163,060	163,790	164,402	166,636	1,959,109
DETAILS OF WRITE-INS						
0601. Medicare – Stand-alone Part D	354,153					
0602. Medicare Advantage	111,153	110,719	110,621	111,262	113,514	1,334,940
0603. Medicaid	46,425	52,341	53,169	53,140	53,122	624,169
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	511,731	163,060	163,790	164,402	166,636	1,959,109

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

On July 23, 2015, Cigna Corporation, Inc. (Cigna or Ultimate Parent) entered into a definitive agreement to merge with Anthem, Inc. (Anthem), subject to certain terms, conditions and customary operating covenants, with Anthem continuing as the surviving company. At special shareholders’ meetings held in December 2015, Cigna shareholders approved the merger with Anthem and Anthem shareholders approved the issuance of shares of Anthem common stock according to the merger agreement. Consummation of the merger remains subject to certain customary conditions, including the receipt of certain necessary governmental and regulatory approvals and the absence of a legal restraint prohibiting the consummation of the merger. The merger is expected to close in the second half of 2016.

A. Accounting Practices

The financial statements of HealthSpring Life & Health Insurance Company, Inc. (the Company) are presented on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance (the Department).

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Texas for determining and reporting the financial condition and results of operations of a Health Maintenance Organization (HMO) for determining solvency under Texas Insurance Law. The National Association of Insurance Commissioners’ (the NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Texas. While the Department has adopted certain prescribed accounting practices that differ from those found in NAIC SAP, the Company’s financials were not affected by those differences in 2015 or 2014.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the Department is shown below:

	State of Domicile	2015	2014
Net income:			
(1) State basis (Page 4, Line 32)	TX	\$ 46,054,710	\$ (6,586,059)
(2) State Prescribed Practices that increase/(decrease) SAP:			
None	TX	-	-
(3) State Permitted Practices that increase/(decrease) SAP:			
None	TX	-	-
(4) NAIC SAP	TX	<u>\$ 46,054,710</u>	<u>\$ (6,586,059)</u>
Surplus:			
(5) State basis (Page 3, line 33)	TX	\$ 327,376,963	\$ 328,734,609
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:			
Receivable from parent & affiliates	TX	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP:			
None	TX	-	-
(8) NAIC SAP	TX	<u>\$ 327,376,963</u>	<u>\$ 328,734,609</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The most significant item subject to estimates and assumptions is the actuarially determined medical claims liabilities included in the financial statements. Other significant estimates are the

NOTES TO FINANCIAL STATEMENTS

estimated risk adjustment payments receivable from CMS, certain amounts recorded related the Medicare Part D program (Part D), and unpaid claims adjustment expenses.

Claims payable and liabilities for incurred but unreported claims are estimated by utilizing historical claims data and actuarial determined data, and adjusting the trend factors. Because actuarial information is utilized to project future liabilities, it is reasonably possible that the estimated liability may be adjusted in future periods upon receipt of more current information.

C. Accounting Policies

Net premium income on Medicare Advantage and Medicaid is due monthly from the Centers of Medicare and Medicaid Services (CMS) and the state of Texas and is recognized as revenue during the period in which the Company is obligated to provide services to members. Premiums collected in advance are deferred and recorded as advance payments.

Medicare Advantage premium revenue is subject to adjustment based on the health risk of its members. This process for adjusting premiums is referred to as the CMS risk adjustment payment methodology. Under the risk adjustment payment methodology, managed care plans must capture, collect, and report diagnosis code information to CMS. After reviewing the respective submissions, CMS establishes the payments to Medicare plans generally at the beginning of the calendar year, and then adjusts premium levels on two separate occasions on a retroactive basis. The first retroactive risk premium adjustment for a given fiscal year generally occurs during the third quarter of such fiscal year. This initial settlement (the Initial CMS Settlement) represents the updating of risk scores for the current year based on the prior year's dates of service. CMS then issues a final retroactive risk premium adjustment settlement for the fiscal year in the following year (the Final CMS Settlement). The Company estimates and records on a monthly basis both the Initial CMS Settlement and the Final CMS Settlement for the current CMS plan year. All such estimated amounts are periodically updated as necessary as additional diagnosis code information is reported to CMS and adjusted to actual amounts when the ultimate adjustment settlements are either received from CMS or the Company receives notification from CMS of such settlement amounts.

As a result of the variability of factors, including plan risk scores, that determine such estimations, the actual amount of CMS's retroactive risk premium settlement adjustments could be materially more or less than the Company's estimates. The Company's risk adjustment payments are subject to review and audit by CMS, which can potentially take several years to resolve completely. Any adjustment to net premium income and the related medical expense for risk-sharing arrangements with providers as a result of such review and audit would be recorded when estimable. There can be no assurance that any retroactive adjustment to previously recorded income or expenses will not have a material effect on future net income.

The Company provides prescription drug benefits pursuant to Part D. The Company refers to these plans collectively as Medicare Advantage plans and separately as Medicare Advantage (without Part D prescription drug benefits) and Medicare Advantage Part D (including Part D prescription drug benefits), or MA-PD plans.

Prescription drug benefits under Medicare Advantage plans vary in terms of coverage levels and out-of-pocket costs for premiums, deductibles, and coinsurance. All Part D plans are required by law to offer either standard coverage or its actuarial equivalent (with out-of-pocket threshold and deductible amounts that do not exceed those of standard coverage). In addition to standard coverage plans, the Company offers supplemental benefits in excess of the standard coverage.

To participate in Part D, the Company was required to provide written bids to CMS, which among other items, included the estimated costs of providing prescription drug benefits. Payments from CMS are based on these estimated costs. The monthly Part D payments the Company receives from CMS for Part D plans generally represent the Company's bid amount for providing insurance coverage, both standard and supplemental, and is recognized monthly as net premium income. The amount of CMS payments relating to the Part D standard coverage for MA-PD and PDP plans is subject to adjustment, positive or negative, based upon the application of risk corridors that compare the Company's prescription drug costs in its bids to CMS to the Company's actual prescription drug costs. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or the Company's refunding to CMS a

NOTES TO FINANCIAL STATEMENTS

portion of the premium payments it previously received. The Company estimates and recognizes an adjustment to net premium income related to estimated risk corridor payments based upon its actual prescription drug cost for each reporting period as if the annual contract were to end at the end of each reporting period, in accordance with NAIC Interpretation No. 05-05, *Accounting for Revenues under Medicare Part D Coverage*. Risk corridor adjustments do not take into account estimated future prescription drug costs.

The Company recognizes net premium income for the Part D payments received from CMS for which it assumes risk. Certain Part D payments from CMS represent payments for claims the Company pays for which it assumes no risk. The Company accounts for these subsidies as amounts receivable relating to uninsured plans or liability for amounts held under uninsured plans on the balance sheet. The Company does not recognize premium income or hospital, medical, and pharmaceutical expenses for these subsidies as these amounts represent pass-through payments from CMS to fund deductibles, copayments, and other member benefits.

The Company recognizes prescription drug costs as incurred, net of rebates from drug companies. The Company has subcontracted the prescription drug claims administration to a third-party pharmacy benefit manager.

Medicaid experience rebate payable consists of estimates of amounts due under Medicaid contracts with the State of Texas. These amounts are computed based on a percentage of Medicaid profits as defined in the contract with the State. The profitability computation includes premium revenue earned from the state less actual medical and administrative costs incurred and paid and less estimated unpaid claims payable for applicable membership. The unpaid claims payable estimates are based on historical payment patterns using actuarial techniques. A final settlement is generally made 334 days after the contract period ends using paid claims data and is subject to audit by the State any time thereafter. Any adjustment made to the experience rebate payable as a result of final settlement is included in current operations.

Cost of care that is paid on a fee-for-service basis, a per diem basis, or other basis includes actual reported claims and an estimate of incurred but not reported (IBNR) claims. IBNR claims are estimated by using historical trends, current membership statistics, and other information. Cost of care paid on a capitation basis is recognized in the month of coverage. Cost of pharmaceuticals is recognized in the month incurred.

Acquisition costs are certain marketing costs that vary with, and are primarily related to, the acquisition of member contracts. These costs are expensed as incurred and are included in general and administrative expenses in the accompanying statement of revenue and expenses.

In the normal course of business, the Company enters into transactions involving various types of financial instruments. These financial instruments primarily include bonds on the balance sheet. These instruments may change in value due to interest rate and market fluctuations and most also have credit risk. The Company evaluates and monitors each financial instrument individually. The Company did not have any off-balance sheet financial instruments as of December 31, 2015 and 2014.

Fair values of financial instruments are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price.

Cash and cash equivalents consist of cash and short-term investments that will mature in three months or less from the time of purchase.

Health premiums due and uncollected are recorded during the period the Company is obligated to provide services to members and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable losses in the Company's existing health premiums due and unpaid and is based on past-due balances greater than 90 days. Balances greater than 90 days past due which are not reserved are included as non-admitted assets. Account balances are charged off after all means of collection have been exhausted and the potential for recovery is considered remote.

NOTES TO FINANCIAL STATEMENTS

Health premiums under government insured plans, including amounts over 90 days due that qualify as accident and health contracts in accordance with SSAP No. 50, *Classifications and Definitions of Insurance or Managed Care Contracts in Force*, are included in admitted assets.

When interest and principal payments on bonds are current, the Company recognizes interest income when it is earned. The Company stops recognizing interest income when interest payments are 90 days past due or when certain terms (interest rate or maturity date) of the bond have been restructured. Investment income on these bonds is only recognized when interest payments are received.

Investments and investment income due and accrued are evaluated in accordance with SSAP No. 5R, *Liabilities, Contingencies, and Impairments of Assets – Revised* (SSAP 5R), to determine whether impairment exists. Any amounts determined to be uncollectible are written off through the statutory basis statements of income. No amounts were written off during 2015 or 2014.

Unrealized capital gains and losses on investments carried at fair value are reflected directly in unassigned surplus. Realized capital gains and losses resulting from sales and investment asset write-downs are based on specifically identified assets and are recognized in net income. The Company had no write-downs of investment assets in 2015 or 2014.

The Company is included in the consolidated United States federal income tax return filed by Cigna. Pursuant to the Tax Sharing Agreement with Cigna, federal income taxes are allocated to the Company as if it were filing on a separate return basis. The tax benefit of net operating losses, capital losses, and tax credits are funded to the extent they reduce the consolidated federal income tax liability. The Company generally recognizes deferred income taxes when assets and liabilities have different values for financial statement and tax reporting purposes (temporary differences). Limitations of the admitted amount of the deferred tax asset are calculated in accordance with SSAP No. 101, *Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10* (SSAP 101). Additional detailed information about the Company's income taxes is disclosed in Note 9.

In accordance with various SSAP's, certain assets or certain portions of assets are excluded from the Company's admitted assets on its balance sheet through a direct charge to unassigned surplus. These nonadmitted assets may include intangible assets, capitalized software, furniture and equipment, leasehold improvements, unsecured receivables, prepaid expenses, overdue insurance premiums and subsidiary investments. Certain assets are limited by factors, such as a percentage of surplus, as to the amounts that qualify as admitted assets. Such assets may include electronic data processing equipment and deferred taxes.

The Company elected to use rounding in reporting certain amounts within the statement. The amounts in this statement pertain to the entire Company's business.

In addition, the Company uses the following accounting policies:

1. Investments with a maturity greater than three months but less than one year at the time of purchase are included in short-term investments and are carried at amortized cost.
2. Investments in bonds and short-term investments designated highest quality (NAIC-1) and high quality (NAIC-2) are carried at amortized cost. All others are carried at the lesser of cost or fair value. Amortization of bond premium or discount is calculated using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to call value/date which produces the lowest asset value (yield to worst). Investments with original maturities of less than one year from the time of purchase are classified as short-term. Bonds are considered impaired and their cost basis is written down to fair value through net income, when management expects a decline in value to persist (i.e., the decline is other-than-temporary).
3. Common stocks – not applicable.
4. Preferred stocks – not applicable.
5. Mortgage loans – not applicable.

NOTES TO FINANCIAL STATEMENTS

6. Loan-backed bonds and structured securities are stated at amortized cost using the constant yield method. Significant changes in estimated cash flows from the original purchase assumptions are accounted for generally using the retrospective method. Significant changes in estimated cash flows from the original purchase assumptions for loan-backed and structured securities that have potential for loss of a significant portion of the original investment are accounted for using the prospective method. These securities are presented on the balance sheet as bonds.
7. Investments in subsidiaries, controlled, and affiliated (SCA) entities – not applicable.
8. Investments in joint ventures, partnerships, and limited liabilities companies – not applicable.
9. Derivatives – not applicable.
10. Aggregate Policy Reserves: The Company includes an accrual for losses where it is probable that expected future health care costs and maintenance costs under a group of existing contracts will exceed anticipated future premiums and insurance recoveries on those contracts, known as Premium Deficiency Reserve (PDR). The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
11. Unpaid claims and claims adjustment expenses represent the Company's liability for services that have been performed by providers for members that have not been settled. These liabilities include medical claims reported to the Company, as well as an actuarially determined estimate of claims that have been incurred but not yet reported to the Company. The IBNR component is based upon the Company's historical claims data, current enrollment, health services utilization statistics and other related information. Estimating IBNR is complex and involves a significant amount of judgment. Changes in this estimate can materially affect, either favorably or unfavorably, the Company's statement of revenues and expenses or overall financial position.

The Company develops its estimate of IBNR using standard actuarial development methodologies, including the completion factor method. This method estimates liabilities for claims based upon the historical lag between the month when services are rendered and the month claims are paid and takes into consideration factors such as expected medical cost inflation, seasonality patterns, product mix, and membership changes. The completion factor is a measure of how complete the claims paid to date are relative to the estimate of the total claims for services rendered for a given reporting period. Although the completion factors are generally reliable for older service periods, they are more volatile, and hence less reliable, for more recent periods, given that the typical billing lag for services can range from a week to as much as 90 days from the date of service. As a result, for the most recent two to four months, the estimate for incurred claims is developed from a trend factor analysis based upon per member per month claims trends experienced in the preceding months.

Each period, the Company reexamines the previously established estimates of claims payable and liabilities for incurred but unreported claims based on actual claim submissions and other relevant changes in facts and circumstances. As the estimated liabilities recorded in prior periods become more exact, the Company increases or decreases the amount of the estimates and includes the changes in hospital and medical expenses in the period in which the change is identified. In every annual reporting period, the Company's operating results include the effects of more completely developed estimates associated with prior years.

The Company contracts with physicians or provider groups to provide medical services to their members. The Company pays capitation or negotiated fees for defined services provided by the physicians. The Company and some of the physicians have entered into incentive sharing agreements. Under the terms of these agreements, certain providers are eligible to receive a provider bonus based on qualitative and quantitative factors. Incentive sharing balances are estimated using current experience to calculate the current receivable or payable for each contract. These estimates may be adjusted based on actual experience and contract terms. The incentive sharing receivables and payables are reported gross on the balance sheet. Incentive sharing receivables are admitted in accordance with SSAP No. 84, *Certain Health Care Receivables and Receivables Under Government Insured Plans*.

NOTES TO FINANCIAL STATEMENTS

Included in hospital, medical, and pharmaceutical expenses are claim payments, capitation payments, risk-sharing payments, and pharmacy costs, net of rebates, as well as estimates of future payments of claims provided for services rendered prior to year-end. Capitation payments represent monthly contractual fees disbursed to physicians and other providers who are responsible for providing medical care to members. Risk sharing payments represent amounts paid under risk sharing arrangements with providers including independent physician associations. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers. Rebates are recognized when the rebates are earned according to the contractual arrangements with the respective vendors.

12. The Company has not modified its capitalization policy from the prior period.
13. Pharmacy rebate receivables consist of reasonably estimable amounts, based upon utilization data and past history, and billed amounts to pharmaceutical companies. The income from pharmacy rebates is reported as a reduction of claims expense in the statutory basis statements of income. Generally, rebate amounts are invoiced within fifteen days after each quarter-end and settled within 85 days of the invoice date. Pharmaceutical rebates billed but uncollected less than 90 days of invoice date have been admitted.
14. Claims overpayment receivables invoiced and expected to be collected within 90 days of invoice date have been admitted.
15. Effective January 1, 2015, the Company adopted SSAP No. 106, Affordable Care Act Assessments, for the annual health insurance industry fee imposed under Section 9010 of the Affordable Care Act. Refer to Note 22 for additional information about this fee and the estimated financial impact to the Company.

D. Going Concern

Based on management's evaluation, the Company does not have any doubts in its ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors
 - A. Material Changes in Accounting Principles and/or Correction of Errors

Changes in Accounting Principles – not applicable

Corrections of Errors – not applicable
3. Business Combinations and Goodwill
 - A. Statutory Purchase Method – not applicable.
 - B. Statutory Merger – not applicable.
 - C. Assumption Reinsurance – not applicable.
 - D. Impairment Loss – not applicable.
4. Discontinued Operations
 1. Identity of Segment Discontinued – not applicable.
 2. Expected Disposal Date – not applicable.
 3. Expected Manner of Disposal – not applicable.
 4. Description of Remaining Assets and Liabilities – not applicable.
 5. Amounts Related to Discontinued Operations – not applicable.
5. Investments
 - A. Mortgage Loans, including Mezzanine Real Estate Loans – not applicable.

NOTES TO FINANCIAL STATEMENTS

- B. Debt Restructuring – not applicable.
- C. Reverse Mortgages – not applicable.
- D. Loan-Backed Securities
1. Prepayment assumptions for loan-backed securities and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.
 2. As of December 31, 2015, there are no loan-backed securities or structured securities with a recognized other-than-temporary impairment.
 3. During the twelve months ended December 31, 2015, there were no loan-backed or structured securities with a recognized other-than-temporary impairment.
 4. As of December 31, 2015, loan-backed and structured securities with a decline in fair value from amortized cost were as follows, including the length of time of such decline.
 - a. The aggregate amount of unrealized losses:
 1. Less than 12 months: \$377
 2. 12 months or longer: \$ -
 - b. The aggregate related fair value of securities with unrealized losses:
 1. Less than 12 months: \$ 84,269
 2. 12 months or longer: \$ -
 5. Management reviews loan-backed and other structured securities with a decline in fair value from cost for impairment based on criteria that include:
 - length of time and severity of decline;
 - financial and specific near term prospects of the issuer;
 - changes in the regulatory, economic or general market environment of the issuer’s industry or geographic region; and
 - the Company’s intent to sell or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost.
- E. Repurchase Agreements and/or Securities Lending Transactions – not applicable.
- F. Real Estate – not applicable.
- G. Investments in Low Income Housing Tax Credits – not applicable.
- H. Restricted Assets
- (1) Restricted Assets (Including Pledged)

The Company has restricted assets of \$8,046,466 and \$10,262,378 on deposit with various regulatory agencies for the projection or benefit of enrolled members at December 31, 2015 and 2014, respectively. These amounts are reflected as bonds in the accompanying Balance Sheets. The following table presents the restricted assets as a percentage of total gross assets and total admitted assets.

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase (Decrease)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-
j. On deposit with states	8,046,466	10,262,378	(2,215,912)	8,046,466	1.3%	1.3%
k. On deposit with other regulatory bodies	-	-	-	-	-	-
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-
o. Total Restricted Assets	\$ 8,046,466	\$ 10,262,378	\$ (2,215,912)	\$ 8,046,466	1.3%	1.3%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) – not applicable

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate) – not applicable

I. Investments for Working Capital Finance Investments – none

J. Offsetting and Netting of Assets and Liabilities – none

K. Structured Notes – none

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.

7. Investment Income

A. Any investment income due and accrued with amounts that are over 90 days past due are nonadmitted and excluded from surplus.

B. As of December 31, 2015 and 2014, the Company had no investment income due and accrued with admitted amounts that are over 90 days past due.

8. Derivative Instruments

A. Market Risk, Credit Risk, and Cash Requirements for Derivatives – not applicable.

B. Objectives for the Use of Derivatives – not applicable.

C. Description of Accounting Policies for Derivatives – not applicable.

NOTES TO FINANCIAL STATEMENTS

D&E. Net Gain or Loss from Derivatives – not applicable.

F. Cash Flow Hedges – not applicable.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1. Components of net admitted deferred tax assets.

	December 31, 2015		
	Ordinary	Capital	Total
(a) Gross DTA	\$ 9,862,031	\$ 163,142	\$ 10,025,173
(b) Statutory valuation allowance adj.	-	-	-
(c) Adjusted gross DTA (1a - 1b)	9,862,031	163,142	10,025,173
(d) DTA nonadmitted	436,676	163,142	599,818
(e) Subtotal net admitted DTA (1c - 1d)	9,425,355	-	9,425,355
(f) DTL	165,278	-	165,278
(g) Net admtted DTA/(DTL) (1e - 1f)	\$ 9,260,077	\$ -	\$ 9,260,077

	December 31, 2014		
	Ordinary	Capital	Total
(a) Gross DTA	\$ 19,056,540	\$ -	\$ 19,056,540
(b) Statutory valuation allowance adj.	-	-	-
(c) Adjusted gross DTA (1a - 1b)	19,056,540	-	19,056,540
(d) DTA nonadmitted	642,595	-	642,595
(e) Subtotal net admitted DTA (1c - 1d)	18,413,945	-	18,413,945
(f) DTL	89,956	-	89,956
(g) Net admtted DTA/(DTL) (1e - 1f)	\$ 18,323,989	\$ -	\$ 18,323,989

	Change		
	Ordinary	Capital	Total
(a) Gross DTA	\$ (9,194,509)	\$ 163,142	\$ (9,031,367)
(b) Statutory valuation allowance adj.	-	-	-
(c) Adjusted gross DTA (1a - 1b)	(9,194,509)	163,142	(9,031,367)
(d) DTA nonadmitted	(205,919)	163,142	(42,777)
(e) Subtotal net admitted DTA (1c - 1d)	(8,988,590)	-	(8,988,590)
(f) DTL	75,322	-	75,322
(g) Net admtted DTA/(DTL) (1e - 1f)	\$ (9,063,912)	\$ -	\$ (9,063,912)

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components of SSAP No. 101

December 31, 2015			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 9,130,181	\$ -	\$ 9,130,181
(b) Admitted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	129,896	-	129,896
1. Adjusted gross DTAs expected to be realized following the balance sheet date.	129,896	-	129,896
2. Adjusted gross DTAs allowed per limitation threshold.	xxx	xxx	47,717,533
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	165,278	-	165,278
(d) DTAs admitted as the result of application of SSAP No. 101			
Total 2(a) + 2(b) + 2(c)	\$ 9,425,355	\$ -	\$ 9,425,355
December 31, 2014			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 18,174,277	\$ -	\$ 18,174,277
(b) Admitted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	149,712	-	149,712
1. Adjusted gross DTAs expected to be realized following the balance sheet date.	149,712	-	149,712
2. Adjusted gross DTAs allowed per limitation threshold.	xxx	xxx	46,561,593
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	89,956		89,956
(d) DTAs admitted as the result of application of SSAP No. 101			
Total 2(a) + 2(b) + 2(c)	\$ 18,413,945	\$ -	\$ 18,413,945
Change			
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ (9,044,096)	\$ -	\$ (9,044,096)
(b) Admitted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	(19,816)	-	(19,816)
1. Adjusted gross DTAs expected to be realized following the balance sheet date.	(19,816)	-	(19,816)
2. Adjusted gross DTAs allowed per limitation threshold.	xxx	xxx	1,155,940
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	75,322	-	75,322
(d) DTAs admitted as the result of application of SSAP No. 101			
Total 2(a) + 2(b) + 2(c)	\$ (8,988,590)	\$ -	\$ (8,988,590)

NOTES TO FINANCIAL STATEMENTS

3. Information for Recovery Period and Threshold Limitation

	2015	2014
(a) Ratio percentage used to determine recovery period and threshold limitation amount	447%	486%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold	\$ 318,116,887	\$ 310,410,620

4. Impact of Tax-Planning Strategies – not applicable.

B. Regarding Deferred Tax Liabilities that are not recognized:

All deferred tax liabilities have been properly recognized.

C. Current income taxes incurred consist of the following major components:

	December 31,		
	2015	2014	Change
1. Current Income Taxes:			
(a) Federal	\$ 23,249,251	\$ 23,867,183	\$ (617,932)
(b) Foreign	-	-	-
(c) Subtotal	23,249,251	23,867,183	(617,932)
(d) Federal income tax on net capital gains	47,025	484,362	(437,337)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 23,296,276	\$ 24,351,545	\$ (1,055,269)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 449,933	\$ 444,789	\$ 5,144
(2) Unearned premium reserve	464	9,564	(9,100)
(3) Policyholder reserves	-	-	-
(4) Investments	2,849	2,216	633
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	2,910,857	1,027,044	1,883,813
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other	-	-	-
(14) Deferred gain related to intangibles	1,035,591	1,188,920	(153,329)
(15) Allowance for doubtful accounts	218,492	554,397	(335,905)
(16) Premium deficiency reserve	5,243,845	15,829,610	(10,585,765)
(99) Subtotal	\$ 9,862,031	\$ 19,056,540	\$ (9,194,509)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	436,676	642,595	(205,919)
(d) Admitted ordinary DTAs (2a99 - 2b - 2c)	9,425,355	18,413,945	(8,988,590)
(e) Capital:			
(1) Investments	163,142	-	163,142
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal	\$ 163,142	\$ -	\$ 163,142
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	163,142	-	163,142
(h) Admitted capital DTAs (2a99 - 2f - 2g)	\$ -	\$ -	\$ -
(i) Admitted DTAs (2d + 2h)	\$ 9,425,355	\$ 18,413,945	\$ (8,988,590)

NOTES TO FINANCIAL STATEMENTS

	December 31,		
	2015	2014	Change
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ 165,278	\$ 89,956	\$ 75,322
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	-	-	-
(6) Deferred intercompany gain	-	-	-
(7) Pharmacy rebates	-	-	-
(8) Revenue, due to timing	-	-	-
(9) Section 481 adjustments	-	-	-
(8) Other ins & contract holder liability	-	-	-
(99) Subtotal	\$ 165,278	\$ 89,956	\$ 75,322
(b) Capital:			
(1) Investments	\$ -	\$ -	\$ -
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal	\$ -	\$ -	\$ -
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 165,278	\$ 89,956	\$ 75,322
4. Net deferred tax assets/(liabilities) (2i - 3c)	\$ 9,260,077	\$ 18,323,989	\$ (9,063,912)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted deferred tax assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31,		
	2015	2014	Change
Total gross deferred tax assets	\$ 10,025,173	\$ 19,056,540	\$ (9,031,367)
Total deferred tax liabilities	165,278	89,956	75,322
Net deferred tax assets/(deferred tax liabilities)	\$ 9,859,895	\$ 18,966,584	\$ (9,106,689)
Statutory valuation allowance	-	-	-
Net DTA/(DTL) after SVA	\$ 9,859,895	\$ 18,966,584	\$ (9,106,689)
Tax effect of unrealized gains (losses)			(163,142)
Change in net deferred income tax			\$ (9,269,831)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes including realized capital gains and losses. The significant items causing this difference are as follows:

	December 31, Effective Tax	
	2015	Rate
Provision computed at statutory rate	\$ 24,272,846	35.0%
Change in nonadmitted assets	(1,883,813)	-2.7%
Investment income	(50,726)	-0.1%
Meals & entertainment	8,282	0.1%
Health Insurance Industry Fee	10,692,834	15.4%
Other, net	(473,316)	-0.7%
Total	\$ 32,566,107	47.0%
Federal and foreign income taxes incurred	\$ 23,296,276	33.6%
Change in net deferred income taxes	9,269,831	13.4%
Total statutory income taxes	\$ 32,566,107	47.0%

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss and Tax Credit Carry forwards

- (1) At December 31, 2015 the Company had utilized all its net operating or capital loss carry forwards.
- (2) The following are the income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

Year	Amount
2015	\$ 23,295,015
2014	\$ 24,351,545

- (3) Deposits under IRS Code Section 6603 – not applicable

F. Consolidated Federal Income Tax Return

- (1) As of December 31, 2015, the following subsidiaries were included in the consolidated return:

Allegiance Benefit Plan Management, Inc.
Allegiance Cobra Services, Inc.
Allegiance Life & Health Insurance Company, Inc.
Allegiance Re, Inc.
Arizona Healthplan, Inc.
Benefit Management Corporation
Bravo Health Mid-Atlantic, Inc.
Bravo Health Pennsylvania, Inc.
CG Individual Tax Benefit Payments, Inc.
CG Life Pension Benefit Payments, Inc.
CG LINA Pension Benefit Payments, Inc.
Choicelinx Corporation
Cigna Arbor Life Insurance Company
Cigna Behavioral Health, Inc.
Cigna Behavioral Health of California, Inc.
Cigna Behavioral Health of Texas, Inc.
Cigna Benefits Financing, Inc.
Cigna Dental Health, Inc.
Cigna Dental Health of California, Inc.
Cigna Dental Health of Colorado, Inc.
Cigna Dental Health of Delaware, Inc.
Cigna Dental Health of Florida, Inc.
Cigna Dental Health of Illinois, Inc.
Cigna Dental Health of Kansas, Inc.
Cigna Dental Health of Kentucky, Inc.
Cigna Dental Health of Maryland, Inc.
Cigna Dental Health of Missouri, Inc.
Cigna Dental Health of New Jersey, Inc.
Cigna Dental Health of North Carolina, Inc.
Cigna Dental Health of Ohio, Inc.
Cigna Dental Health of Pennsylvania, Inc.
Cigna Dental Health of Texas, Inc.
Cigna Dental Health of Virginia, Inc.
Cigna Dental Healthplan of Arizona, Inc.
Cigna Direct Marketing Company, Inc.
Cigna Federal Benefits, Inc.
Cigna Global Holdings, Inc.
Cigna Global Insurance Company Limited
Cigna Global Reinsurance Company LTD
Cigna Health and Life Insurance Company
Cigna Health Corporation
Cigna Health Management, Inc.
Cigna Healthcare Benefits, Inc.
Cigna Healthcare Holdings, Inc.
Cigna Healthcare, Inc.
Cigna Healthcare Mid-Atlantic, Inc.
Cigna Healthcare of Arizona, Inc.

NOTES TO FINANCIAL STATEMENTS

Cigna Healthcare of California, Inc.
Cigna Healthcare of Colorado, Inc.
Cigna Healthcare of Connecticut, Inc.
Cigna Healthcare of Florida, Inc.
Cigna Healthcare of Georgia, Inc.
Cigna Healthcare of Illinois, Inc.
Cigna Healthcare of Indiana, Inc.
Cigna Healthcare of Maine, Inc.
Cigna Healthcare of Massachusetts, Inc.
Cigna Healthcare of New Hampshire, Inc.
Cigna Healthcare of New Jersey, Inc.
Cigna Healthcare of New York, Inc.
Cigna Healthcare of North Carolina, Inc.
Cigna Healthcare of Pennsylvania, Inc.
Cigna Healthcare of South Carolina, Inc.
Cigna Healthcare of St Louis, Inc.
Cigna Healthcare of Tennessee, Inc.
Cigna Healthcare of Texas, Inc.
Cigna Healthcare of Utah, Inc.
Cigna Holdings, Inc.
Cigna Holdings Overseas, Inc.
Cigna Integrated Care, Inc.
Cigna Intellectual Property, Inc.
Cigna International Corporation
Cigna International Finance, Inc.
Cigna International Services, Inc.
Cigna Investment Group, Inc.
Cigna Investments, Inc.
Cigna Life Insurance Company of New York
Cigna Linden Holdings, Inc.
Cigna Managed Care Benefits Company
Cigna Mezzanine Partners, III, Inc.
Cigna Poplar Holdings, Inc.
Cigna RE Corporation
Cigna Resource Manager, Inc.
Cigna Worldwide Insurance Company
Connecticut General Benefit Payments, Inc.
Connecticut General Corporation
Connecticut General Life Insurance Company
Former Cigna Investments, Inc.
GreatWest Healthcare of Illinois, Inc.
Hazard Center Investment Co., LLC
Healthsource Benefits, Inc.
Healthsource, Inc.
Healthsource Properties, Inc.
HealthSpring Life & Health Insurance Company, Inc.
HealthSpring Management, Inc.
HealthSpring of Alabama, Inc.
HealthSpring of Florida, Inc.
HealthSpring of Tennessee, Inc.
HealthSpring, Inc.
IHN, Inc.
Intermountain Underwriters, Inc.
Kronos Optimal Health Company
Life Ins Co of North America
LINA Benefit Payments, Inc.
Managed Care Consultants, Inc.
MCC Independent Practice Assoc of New York, Inc.
Mediversal Inc.
QualCare Alliance Networks, Inc.
QualCare Captive Insurance Company, Inc.
QualCare Management Resources LLC
QualCare, Inc.
Scibal Associates, Inc.
Sagamore Health Network Inc.
Tel-Drug, Inc.
Universal Claims Administration

NOTES TO FINANCIAL STATEMENTS

- (2) As of February 1, 2012, the Company entered into a Consolidated Federal Income Tax Agreement (the "Agreement") with Cigna and its domestic subsidiaries. Pursuant to the Agreement, federal income taxes are allocated to the Company as if it were filing on a separate return basis. The tax benefit of net operating losses, capital losses and tax credits are funded to the extent they reduce the consolidated federal income tax liability.
- (3) CIGNA's federal income tax returns are routinely audited by the Internal Revenue Service (IRS). In management's opinion, adequate tax liabilities, including related charges should the IRS prevail, have been established to address potential exposures involving tax positions the Company has taken that may be challenged by the IRS. These liabilities could be revised in the near term if estimates of CIGNA's ultimate liability change as a result of new developments or a change in circumstances.
- (4) The The IRS began its examination of the 2011 and 2012 tax years in the third quarter of 2014 and is expected to continue through 2016.

G. Federal or Foreign Income Tax Loss Contingencies

In management's opinion, adequate tax liabilities have been established to address potential exposures involving tax positions the Company has taken that may be challenged by the IRS.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. B. and C.

As of December 31, 2015 and 2014, the Company paid \$32,500,000 and \$57,400,000, respectively, in ordinary dividends to NewQuest, LLC (the Parent). No capital contributions were received in 2015 or 2014.

The Company has entered into a line of credit agreement with Cigna under which the Company may lend up to \$30,000,000. The Company did not loan any funds to Cigna during 2015 and 2014.

The Company has entered into a line of credit agreement with Cigna Holdings, Inc. under which the Company may borrow up to \$30,000,000. As of December 31, 2015 and 2014, there was no outstanding payable balance to Cigna Holdings, Inc. In 2015 and 2014, the interest rate on loan amounts was an average yearly rate of 0.3478% and 0.2692%, respectively, and interest expense was \$2,322 and \$3,593, respectively.

- D. At December 31, 2015 and 2014, the Company reported \$74,050,177 and \$45,466,945, respectively, as the net amounts due to the parent, subsidiaries and affiliates. These amounts are settled periodically, usually monthly.
- E. Guarantees Resulting in a Material Contingent Exposure – not applicable.
- F. Management Services Agreement

Fee Sharing Agreement (the Agreement) - Several of Cigna's subsidiaries are subject to the Health Insurance Providers Fee, "the Fee", which is imposed on each covered entity engaged in the business of providing health insurance for any United States health risk. Such entities, along with Cigna, are collectively treated as a single "covered entity" as that term is defined in Section 9010(c) and Treas. Reg. § 57.2(b). By entering into this Agreement, each Party has consented to select Cigna as its "designated entity" for the payment of this Fee. The Agreement allows Cigna to pay each year to the Treasury the Fee owed collectively by all covered entities in the group, and to perform all necessary and appropriate actions that may be required to fulfill Cigna's responsibilities as the designated entity. This Agreement further allows Cigna to delegate to a wholly owned subsidiary the authority to perform these actions on Cigna's behalf. For financial management and reporting purposes, Cigna and the Parties will allocate the Fee for each Fee Year among the Parties in proportion to estimates of each Party's Premiums for that Fee Year. This Agreement was submitted for Department approval/non-disapproval, and is effective for HealthSpring Life and Health Insurance Company, Inc. on August 11, 2014.

The Company has contracted for managerial, administrative, and financial support services through an administrative service contract based on a percentage of premium revenue with HealthSpring Management of America, LLC (HSMA). For the years ended December 31,

NOTES TO FINANCIAL STATEMENTS

2015 and 2014, the Company paid approximately \$283,417,838 and \$263,791,097, respectively, in exchange for these services.

The Company has contracted with HSMA to provide disease management services related to the implementation and operation of the Internal Disease Management Program. For the years ended December 31, 2015 and 2014, the Company paid approximately \$20,674,944 and \$22,672,330, respectively.

The Company has contracted with Cigna Investment, Inc. (CII) for investment advisory services. The Company and CII are indirect subsidiaries of Cigna Holdings, Inc., which is a direct wholly-owned subsidiary of Cigna. The Company paid \$424,502 and \$385,278 in 2015 and 2014, respectively, for these services.

Cigna's indirectly wholly-owned domestic subsidiary insurance companies have entered into a Consolidated Federal Income Tax Agreement (the Agreement), which became effective as of April 1, 1982. The Agreement sets forth the method of allocation of federal income taxes for Cigna and its wholly-owned domestic subsidiaries, including insurance subsidiaries. The Agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are used to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provisions, are liable for payment determined as if they had each filed a separate return. However, current credit is given for any foreign tax credit, operating loss or investment tax credit carryovers actually used in the current consolidated return. The Company participates as a party to the agreement and had \$2,958,102 and \$16,353,714 recoverable under the agreement as of December 31, 2015 and 2014, respectively.

The Company is a party to an Expense Sharing Agreement between Cigna and various affiliates and subsidiaries. With the exception of a limited number of expenses held at the corporate level such as expenses relating to investments, the servicing of debt, and stock compensation as calculated under SFAS No. 123R, all operating expenses of Cigna were allocated. These allocations were based on work effort studies and other appropriate methods, while other expenses such as outside legal fees were directly charged to the related company. Cigna did not allocate any corporate overhead expenses to the Company in 2015 or 2014.

The Company, CII and certain of its affiliates are parties to an investment pool agreement which provides for participation in a pool of short-term investments to facilitate effective cash management. There are no fees separately assessed related to this agreement.

G. Ownership

All outstanding shares of the Company are owned by NewQuest, LLC, a limited liability company domiciled in the state of Texas, which is a wholly owned subsidiary of HealthSpring, Inc., a Delaware corporation, which is an indirect wholly-owned subsidiary of Cigna. The Cigna organizational structure is documented in Schedule Y.

H. Upstream Intermediate Entity – not applicable.

I. Investment in SCA Entity that Exceeds 10% of Admitted Assets – not applicable.

J. Investments in Impaired SCA's – not applicable.

K. Investments in Foreign Insurance Subsidiaries – not applicable.

L. Investment in a Downstream Non-Insurance Holding Company – not applicable.

11. Debt

A. Debt and Capital Notes

The Company had no capital notes outstanding at December 31, 2015 and 2014.

The Company had no external borrowed money outstanding at December 31, 2015 and 2014.

The Company has entered into a line of credit agreement with Cigna Holdings, Inc. under which the Company may borrow up to \$30,000,000. As of December 31, 2015 and 2014, there was no outstanding payable balance to Cigna Holdings, Inc. In 2015 and 2014, the

NOTES TO FINANCIAL STATEMENTS

interest rate on loan amounts was an average yearly rate of 0.3478% and 0.2692%, respectively, and interest expense was \$2,322 and \$3,593, respectively.

- B. FHLB Agreements – not applicable.
- 12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
 - A. Defined Benefit Plan – not applicable.
 - B. Investment Policies and Strategies for Plan Assets – not applicable.
 - C. Fair Value Measurement of Plan Assets – not applicable.
 - D. Rate of Return on Plan Assets – not applicable.
 - E. Defined Contribution Plan – not applicable.
 - F. Multi-Employer Plan – not applicable.
 - G. Consolidated/Holding Company Plans – not applicable.
 - H. Postemployment Benefits and Compensated Absences – not applicable.
 - I. Impact of Medicare Modernization Act on Postretirement Benefits – not applicable.
- 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
 - 1. The Company has 5,000,000 shares authorized, 2,500,000 shares issued and outstanding of \$1 par value Common Stock, owned entirely by NewQuest, LLC.
 - 2. The Company has no preferred stock outstanding.
 - 3. The payment of dividends by the Company to the shareholder is limited and can only be made from earned profits unless prior approval is received from the Department. The maximum amount of dividends that may be paid by insurance companies without prior approval is also subject to restrictions relating to statutory surplus and net income. The maximum ordinary dividend distribution allowed by the Company in 2016 is \$46,054,710. The Company's dividends are noncumulative.
 - 4. The Company paid ordinary dividends of \$32,500,000 and \$57,400,000 in 2015 and 2014, respectively, to its Parent.
 - 5. Within the limits of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
 - 6. Restrictions on Unassigned Surplus – none.
 - 7. For Mutual Companies, Advances to Surplus Not Repaid – not applicable.
 - 8. Stock Held by the Company, Including Stock of Affiliated Companies – not applicable.
 - 9. Special Surplus Funds – The change in special surplus funds is the recognition of the 2015 Health Insurance Industry Fee of \$30,531,093.
 - 10. Cumulative Unrealized Gains and Losses in Surplus

Unassigned surplus at December 31, 2015 was reduced by cumulative net unrealized investment losses of \$302,977. There was no net unrealized investment impact at December 31, 2014.
 - 11. Surplus Note – none.
 - 12. Quasi-Reorganization – not applicable.
 - 13. Date of a Quasi –Reorganization – not applicable.
- 14. Liabilities, Contingencies and Assessments

NOTES TO FINANCIAL STATEMENTS

- A. Contingent Commitments – none.
- B. Assessments – none.
- C. Gain Contingencies – none.
- D. Claims-Related Extra Contractual Obligations – none.
- E. Joint and Several Liabilities – none.
- F. All Other Liabilities:

Litigation and Other Legal Matters:

Cigna Corporation and its subsidiaries (including the Company; and collectively known as Cigna Corporation) are routinely involved in numerous claims, lawsuits, regulatory audits, investigations and other legal matters arising, for the most part, in the ordinary course of managing a health services business. These actions may include benefit disputes, breach of contract claims, tort claims, provider disputes, disputes regarding reinsurance arrangements, employment and employment discrimination-related suits, employee benefit claims, wage and hour claims, privacy, intellectual property claims and real estate related disputes. There are currently, and may be in the future, attempts to bring class action lawsuits against the industry. Cigna Corporation and its subsidiaries (including the Company) also are regularly engaged in IRS audits and may be subject to examinations by various state and foreign taxing authorities. Disputed income tax matters arising from these examinations, including those resulting in litigation, are accounted for under the NAIC's accounting guidance for tax loss contingencies. Further information on income tax matters can be found in Note 9.

The business of administering and insuring health services programs, particularly health care and group insurance programs, is heavily regulated by federal and state laws and administrative agencies, such as state departments of insurance and the U.S. Departments of Health and Human Services, Treasury, Labor and Justice, as well as the courts. Health care regulation and legislation in its various forms, including the implementation of Health Care Reform, other regulatory reform initiatives, such as those relating to Medicare programs, or additional changes in existing laws or regulations or their interpretations, could have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, there is heightened review by federal and state regulators of the health care, disability and life insurance industry business and related reporting practices. Cigna and its subsidiaries (including the Company) are frequently the subject of regulatory market conduct reviews and other examinations of its business and reporting practices, audits and investigations by state insurance and health and welfare departments, state attorneys general, CMS and the Office of Inspector General ("OIG"). With respect to Cigna's Medicare Advantage business, CMS and OIG perform audits to determine a health plan's compliance with federal regulations and contractual obligations, including compliance with proper coding practices (sometimes referred to as Risk Adjustment Data Validation audits or RADV audits), that may result in retrospective adjustments to payments made to health plans. Regulatory actions can result in assessments, civil or criminal fines or penalties or other sanctions, including loss of licensing or exclusion from participating in government programs.

Regulation, legislation and judicial decisions have resulted in changes to industry and Cigna and its subsidiaries' (including the Company) business practices, financial liability or other sanctions and will continue to do so in the future.

When the Cigna Corporation and its subsidiaries (including the Company) (in the course of its regular review of pending litigation and legal or regulatory matters) have determined that a material loss is reasonably possible, the matter is disclosed. In accordance with statutory accounting principles, when litigation and regulatory matters present loss contingencies that are both probable and estimable, the Company accrues the estimated loss by a charge to income. The amount accrued represents the Company's best estimate of the probable loss at the time. If only a range of estimated losses can be determined, the Company accrues an amount within the range that, in the Company's judgment, reflects the most likely outcome; if none of the estimates within that range is a better estimate than any other amount, the Company accrues the minimum amount of the range. In cases when the Company has accrued an estimated loss, the accrued amount may differ materially from the ultimate amount of the loss. In many proceedings, it is inherently difficult to determine whether any loss is probable or even possible or to estimate the amount or range of any loss. The Company provides

NOTES TO FINANCIAL STATEMENTS

disclosure in the aggregate for material pending litigation and legal or regulatory matters, including accruals, range of loss, or a statement that such information cannot be estimated. As a litigation or regulatory matter develops, the Company monitors the matter for further developments that could affect the amount previously accrued, if any, and updates such amount accrued or disclosures previously provided as appropriate.

The outcome of litigation and other legal or regulatory matters is always uncertain and unfavorable outcomes that are not justified by the evidence or existing law can occur. Cigna Corporation and its subsidiaries (including the Company) believe that it has valid defenses to the matters pending against it and is defending itself vigorously. The Company believes that the legal actions, regulatory matters, proceedings and investigations currently pending against it should not have a material adverse effect on the Company's results of operation, financial condition or liquidity based upon current knowledge and taking into consideration current accruals. Due to numerous uncertain factors presented in these cases, it is not possible to estimate an aggregate range of loss (if any) for these matters at this time. In light of the uncertainties involved in these matters, there is no assurance that their ultimate resolution will not exceed the amounts currently accrued by the Company. An adverse outcome in one or more of these matters could be material to the Company's results of operations, financial condition or liquidity for any particular period.

In April 2004, Cigna Corporation (of which, the Company is a subsidiary) was sued in a number of putative nationwide class actions alleging that Cigna Corporation improperly underpaid claims for out-of-network providers through the use of data provided by Ingenix, Inc., a subsidiary of one of the Cigna Corporation's competitors. These actions were consolidated into *Franco v. Connecticut General Life Insurance Company, et al.*, pending in the U.S. District Court for the District of New Jersey. The consolidated amended complaint, filed in 2009 on behalf of subscribers, health care providers and various medical associations, asserted claims related to benefits and disclosure under ERISA, the Racketeer Influenced and Corrupt Organizations (RICO) Act, the Sherman Antitrust Act and New Jersey state law and seeks recovery for alleged underpayments from 1998 through the present. Other major health insurers have been the subject of, or have settled, similar litigation.

In September 2011, the District Court (1) dismissed all claims by the health care provider and medical association plaintiffs for lack of standing; and (2) dismissed the antitrust claims, the New Jersey state law claims and the ERISA disclosure claim. In January 2013 and again in April 2014, the District Court denied separate motions by the plaintiffs to certify a nationwide class of subscriber plaintiffs. The Third Circuit denied plaintiff's request for an immediate appeal of the January 2013 ruling. As a result, the case is proceeding on behalf of the named plaintiffs only. In June 2014, the District Court granted Cigna Corporation's motion for summary judgment to terminate all claims, and denied the plaintiffs' partial motion for summary judgment. In July 2014, the plaintiffs appealed all of the District Court's decisions in favor of Cigna Corporation, including the class certification decision, to the Third Circuit. Cigna Corporation will continue to vigorously defend its position.

Following announcement of Cigna's merger agreement with Anthem as discussed in Note 1, six putative class action complaints (collectively complaints) were filed by purported Cigna shareholders on behalf of a purported class of Cigna shareholders. Five of the complaints were filed in the Court of Chancery of the State of Delaware. The sixth complaint was filed in the Connecticut Superior Court, Judicial District of Hartford. Additional lawsuits arising out of or relating to the merger agreement or the merger may be filed in the future.

Cigna, members of the Cigna board of directors, Anthem and Anthem Merger Sub Corp ("Merger Sub") have been named as defendants. The plaintiffs generally assert that the members of the Cigna board of directors breached their fiduciary duties to the Cigna shareholders during merger negotiations and by entering into the merger agreement and approving the merger, and that Cigna, Anthem and Merger Sub aided and abetted such breaches of fiduciary duties. The allegations include, among other things, that (1) the merger consideration undervalues Cigna, (2) the sales process leading up to the merger was flawed due to purported conflicts of interest of members of the Cigna board of directors and (3) certain provisions of the merger agreement inappropriately favor Anthem and inhibit competing bids. Plaintiffs seek, among other things, injunctive relief enjoining the merger, rescission of the merger agreement to the extent already implemented, and costs and damages.

Effective November 24, 2015, solely to avoid the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, Cigna, Cigna's directors, Anthem and Merger Sub entered into a Memorandum of Understanding (MOU) to settle the Cigna Merger Litigation. Subject to court approval and further definitive documentation in a settlement agreement that will be subject to customary conditions, the MOU resolved the Cigna Merger Litigation and provided that Cigna would make certain additional disclosures related to the merger. If the Court approves the settlement, the Cigna Merger Litigation will

NOTES TO FINANCIAL STATEMENTS

be dismissed with prejudice and all claims that were or could have been brought in any actions challenging any aspect of the merger, the merger agreement and any related disclosures will be released. In connection with the settlement, subject to the ultimate determination of the Court, plaintiffs' counsel may receive an award of reasonable fees. There can be no assurance that the parties will ultimately enter into a settlement agreement, or that the Court will approve the settlement even if the parties were to enter into such agreement. The MOU may terminate, if, among other reasons, the Court does not approve the settlement or the merger is not consummated for any reason. Following entry into the MOU, the five complaints filed in Delaware were voluntarily dismissed with prejudice.

Risk Adjustment Data Validation Audits:

In connection with CMS's continuing statutory obligation to review risk score coding practices by Medicare Advantage plans, CMS is conducting audits of Medicare Advantage plans for compliance by the plans and their providers with proper coding practices (sometimes referred to as Risk Adjustment Data Validation Audits or RADV Audits). On September 14, 2015, the Company was notified one of its Medicare Advantage contracts, H4513, was selected for a Calendar Year (CY) 2012 Contract-Level Risk Adjustment Data Validation (RADV) audit.

In February 2012, CMS released a notice of final payment error calculation methodology for Medicare Advantage RADV audits. Among other matters, the notice provided that (i) CMS would perform its next round of Medicare Advantage contract-level audits on payment year 2011; (ii) payment year 2011 is the first year that CMS will conduct payment recovery based on extrapolated estimates; (iii) CMS expects to audit about 30 Medicare Advantage contracts each year; and (iv) payment recovery amounts will be subject to a fee-for-service adjuster that accounts for the fact that the documentation standard used in RADV audits to determine a contract's payment error is different from the documentation standard used to develop the Part C risk-adjustment model.

The Company is currently assessing the payment error calculation methodology and awaiting further guidance from CMS regarding, among other matters, the application of a Fee For Service Adjuster to the audit recovery amounts. Because of the ongoing uncertainty, the Company remains unable to reasonably estimate the probability of CMS's assertion of a claim for recoupment of overpaid premiums or the amount of loss, or range of potential losses, associated with RADV Audits. Accordingly, the Company has not made an accrual related thereto.

Health Care Regulation: As a managed care organization, the Company's operations are and will continue to be subject to pervasive federal, state, and local government regulation, which will have a material impact on our operations. The laws and regulations affecting our industry give state and federal regulatory authorities broad discretion in their exercise of supervisory, regulatory, and administrative powers. These laws and regulations are intended primarily for the benefit of members of and providers to the Company.

Health care regulation in its various forms could have an adverse effect on Company's health care operations if it inhibits the Company's ability to respond to market demands or results in increased medical or administrative costs without improving the quality of care or services.

- E. Uncollectible Amounts - none
- 15. Leases
 - A. Lessee Operating Leases – none
 - B. Lessor Leases – none
- 16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk
 - 1. Financial Instruments with Off-Balance Sheet Risk – not applicable.
 - 2. Nature and Terms of Financial Instruments with Off-Balance Sheet Risk – not applicable.
 - 3. Amount of Loss – not applicable.
 - 4. Policy for Requiring Collateral – not applicable.

NOTES TO FINANCIAL STATEMENTS

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
- A. Transfer of Receivables Reported as Sales – not applicable.
- B. Transfer and Servicing of Financial Assets – not applicable.
- C. Wash Sales – none.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
- A. ASO Plans – not applicable.
- B. ASC Plans – not applicable.
- C. Medicare or Similarly Structured Cost Based Reimbursement Contracts – not applicable.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
- Not applicable.
20. Fair Value Measurements

The Company’s financial assets measured at fair value include bonds valued at the lower of cost or fair value when reported at fair value at the balance sheet date.

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. The Company’s financial assets have been classified based upon a hierarchy defined by SAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset’s or a liability’s classification is based on the lowest level input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument’s fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. The internal pricing methods are performed by the Company’s investment professionals and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, the fair value is estimated using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

Fair Value Measurements at Reporting Date

The following table provides information about the Company’s financial assets carried at fair value as of December 31, 2015. The Company had no bonds reported at fair value in the financial statements as of December 31, 2014.

December 31, 2015					
	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets at Fair Value					
Bonds - Industrial and miscellaneous	\$	-	\$ 3,146,502	\$ -	\$ 3,146,502

Level 1 Financial Assets

Inputs for instruments classified in Level 1 include unadjusted quoted prices for identical assets in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

NOTES TO FINANCIAL STATEMENTS

Level 2 Financial Assets

Inputs for instruments classified in Level 2 include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Company determines that unobservable inputs are insignificant. Level 2 assets primarily include corporate bonds valued using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates.

Level 3 Financial Assets

Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement. Unobservable inputs reflect the Company’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Fair Value Measurements at Reporting Date

Disclosures about Fair Values of Financial Instruments Not Carried at Fair Value

The following tables provide the fair value, carrying value and classification in the fair value hierarchy of the Company's bonds not recorded at fair value as of December 31, 2015 and 2014.

December 31, 2015						
	Aggregate Fair Value	Admitted Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 302,607,591	\$ 303,800,475	\$ 7,370,684	\$289,109,367	\$ 6,127,540	\$ -

December 31, 2014						
	Aggregate Fair Value	Admitted Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 276,529,077	\$ 273,829,942	\$ 9,582,345	\$260,413,053	\$ 6,533,229	\$ -

Disclosures about Financial Instruments Not Practicable to Estimate Fair Value – None.

21. Other Items
- A. Extraordinary Items – none.

B. Troubled Debt Restructuring: Debtors – none.

C. Other Disclosures and Unusual Items - none

D. Business Interruption Insurance Recoveries – none.

E. State Transferable and Non-transferable Tax Credits – none.

F. Subprime Mortgage-Related Risk Exposure
 - The Company did not hold mortgage loans in 2015 and 2014 and, therefore, is not subject to the related risk exposure pertaining to subprime mortgages.
 - Direct Exposure through Investments in Subprime Loans – not applicable.
 - Direct Exposure through Other Investments – not applicable.
 - Underwriting Exposure to Subprime Mortgage Risk – not applicable.

G. Retained Assets – none
22. Events Subsequent

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

NOTES TO FINANCIAL STATEMENTS

The Company is not aware of any Type I events that occurred subsequent to the close of the books or accounts for this statement which would have a material effect on the financial condition of the Company. In preparing these financial statements, the Company evaluated events that occurred between the balance sheet date and February 27, 2016 for the statutory statement filed on February 27, 2016.

On February 19, 2016, CMS issued its Advance Notice of Methodological Changes for Calendar Year 2017 for Medicare Advantage Capitation Rates, Part C and Part D Payment Policies (the Notice). The final terms are expected to be published on April 4, 2016. While the terms contained within the Notice are within the range of our expectations, there remain numerous open issues and substantial uncertainties regarding the final terms of the Notice. We expect that CMS will receive a significant number of comments from interested parties (including Cigna) prior to issuing the final terms; however, there can be no assurance that CMS will amend its current positions. Given the uncertainty regarding the final terms of the Notice, we cannot reliably estimate the impact on our business, revenues or results of operations in 2017 and beyond; under certain circumstances, it is possible that the impact could be materially adverse. In addition, we expect to adjust our programs and services in response to the proposed 2017 terms.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 27, 2016 for the statutory statement issued on February 27, 2016.

In January 2016, CMS issued to Cigna a Notice of Imposition of Immediate Intermediate Sanctions (“the Notice”). The Notice requires Cigna to suspend certain enrollment and marketing activities for its Medicare Advantage Prescription Drug and Medicare Part D Plans. The sanctions do not impact the ability of current enrollees to remain covered by the Company’s Medicare Advantage Prescription Drug or Medicare Part D Plans.

CMS imposed sanctions based on its finding of deficiencies with Cigna’s operations of its Parts C and D appeals and grievances, Part D formulary and benefit administration, and compliance program. Cigna is working to resolve these matters as quickly as possible and is cooperating fully with CMS on its review. Based on management’s current expectations, the Company does not expect the impact to its financial statements to be material.

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). Cigna covered entities’ share of the annual fee was based on the ratio of the amount of their aggregate net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates its portion of the annual health insurance industry fee payable on September 30, 2016 to be \$30,351,093. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 43%. Reporting the ACA assessment as of December 31, 2015, would not have triggered an RBC action level.

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (Yes/No)?	Yes	Yes
B. ACA fee assessment payable for the upcoming year	\$ 30,351,093	\$ 29,286,730
C. ACA fee assessment paid	\$ 30,590,297	\$ 28,358,430
D. Premium written subject to ACA 9010 assessment	\$ 2,209,296,062	\$ 2,203,228,301
E. Total Adjusted Capital before surplus adjustment	\$ 327,376,963	\$ 328,734,609
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 296,845,870	\$ 299,447,878
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	\$ 71,221,970	\$ 63,920,259
H. Would reporting the ACA assessment as of December 31, 2015, have triggered an RBC action level (Yes/No)?	No	No

23. Reinsurance

A. Ceded Reinsurance Report

NOTES TO FINANCIAL STATEMENTS

Section 1- General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee or director of the Company?

Yes () No (X)

- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. none.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

B. Uncollectible Reinsurance – none.

C. Commutation of Ceded Reinsurance – none.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – none

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments – not applicable.

B. Where Accrued Retrospective Premium Adjustments are Recorded – not applicable.

C. Amount of Net Written Premiums Subject to Retrospective Rating Features – not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

On January 1, 2014, the Company became subject to the minimum loss ratio rebate provisions of the Patient Protection and Affordable Care Act (PPACA). PPACA require payment of premium rebates to customers covered under the Company's comprehensive medical insurance if certain annual minimum medical loss ratios are not met. At the close of each quarter, the Company records its rebate accrual based on year-to-date estimated medical loss ratios calculated as prescribed by the interim final rule issued by the Department of Health & Human Services using year-to-date premium and claim information by state and market segment. Since this accrual reflects the amount of rebate that would be payable based on year-to-date estimated medical loss ratios, the amount of rebate will fluctuate as actual claim experience develops each calendar quarter.

As of December 31, 2015, the Company accrued an estimated rebate of \$776,727 and no rebate balance as of December 31, 2014.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

NOTES TO FINANCIAL STATEMENTS

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	-	-	-	-	-
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	-	-	-	-	-
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	
Current Reporting Year-to-date					
(7) Medical loss ratio rebates incurred	-	-	-	776,727	776,727
(8) Medical loss ratio rebates paid	-	-	-	-	-
(9) Medical loss ratio rebates unpaid	-	-	-	776,727	776,727
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	

E. Risk Sharing Provisions of the Affordable Care Act – the Company does not write business subject to the Risk Sharing Provisions of the Affordable Care Act.

25. Change in Incurred Claims and Claim Adjustment Expenses

The liability for claims unpaid as of December 31, 2014 was \$134,709,867. During 2015, \$94,815,860 has been paid on these liabilities. Reserves remaining for prior years are now \$5,908,587, as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a favorable prior year development of \$33,985,420 since December 31, 2014. This release is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

	Unpaid Claims	Accrued Medical Incentive Pool & Bonus	Healthcare Receivable	Total
12/31/2014 Balance	\$ 134,709,867	\$ 9,702,137	\$ (93,311,519)	\$ 51,100,486
Paid/(Received)	94,815,860	3,485,625	(94,743,518)	3,557,966
Favorable/(Unfav) Development	33,985,420	4,076,167	6,771,962	44,833,549
12/31/2015 Balance for 2014 & Prior	\$ 5,908,587	\$ 2,140,345	\$ (5,339,962)	\$ 2,708,970

26. Intercompany Pooling Arrangements

A.-G. – none

27. Structured Settlements
Not applicable.

Health Care Receivables

A. Pharmaceutical Rebate Receivables

The Estimated Pharmacy Rebates as Reported on Financial Statements for December 31, 2015 and 2014.

NOTES TO FINANCIAL STATEMENTS

Quarter Ended	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received Within More Than 180 Days of Billing
12/31/15	\$ 17,784,390	\$ 17,328,232	\$ -	\$ -	\$ -
09/30/15	17,662,611	17,033,443	16,577,285	-	-
06/30/15	22,347,246	15,764,881	15,122,868	642,013	-
03/31/15	39,546,478	13,826,444	7,237,257	6,542,533	46,655
12/31/14	76,750,628	58,356,894	27,071,677	31,285,217	-
09/30/14	78,302,018	53,664,654	27,219,635	26,445,019	-
06/30/14	86,784,435	56,074,079	27,901,201	26,030,603	2,142,274
03/31/14	60,559,492	58,566,867	29,787,957	27,257,450	1,521,460
12/31/13	71,683,778	72,493,834	72,232,940	253,332	7,562
09/30/13	69,602,110	69,873,459	69,171,947	621,451	80,061
06/30/13	60,112,299	60,045,583	60,179,215	(150,047)	16,416
03/31/13	55,879,371	55,723,485	55,665,856	202,774	(145,146)

B. Risk Sharing Receivables

Calendar Year	Evaluation Period	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed
2015	2015	\$ -	\$ -	\$ -	\$ -
	2016	xxx	\$ -	xxx	-
2014	2014	\$ 786,961	\$ -	\$ 1,991,986	\$ -
	2015	xxx	\$ -	xxx	-
2013	2013	\$ -	\$ -	\$ -	\$ -
	2014	xxx	\$ -	xxx	-

Calendar Year	Evaluation Period	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Receivable First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2015	2015	\$ -	\$ -	\$ -	\$ -
	2016	xxx	xxx	xxx	xxx
2014	2014	\$ 1,991,986	\$ -	\$ -	\$ -
	2015	xxx	xxx	\$ -	\$ -
2013	2013	\$ -	\$ -	\$ -	\$ -
	2014	xxx	xxx	xxx	xxx

C. Other Healthcare Receivables

Other Healthcare receivables included \$2,152,557 in claim recoveries, \$119,034 related to plan to plan pharmacy settlements, \$4,381,056 recoverable from the State of Texas and \$388,977 related to other medical receivables.

28. Participating Policies

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

NOTES TO FINANCIAL STATEMENTS

None.

29. Premium Deficiency Reserves

Premium deficiencies occur when it is probable that expected claims expense (hospital/medical expenses and administrative expenses) will exceed future premiums on existing insurance contracts. For purposes of estimating premium deficiency losses, contracts are grouped in a manner consistent with the Company’s method of acquiring, servicing, and measuring the profitability of such contracts. At December 31, 2015 and 2014, the Company had liabilities of \$14,982,414 and \$45,227,461, respectively, related to premium deficiency reserves on its Medicaid business.

- | | |
|---|------------------|
| 1. Liability carried for premium deficiency reserves | \$14,982,414 |
| 2. Date of the most recent evaluation of this liability | January 13, 2016 |
| 3. Was anticipated investment income utilized in the calculation? | No |

30. Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Texas

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2014

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2010

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

09/19/2012

3.4

By what department or departments?
Texas Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,
7.21 State the percentage of foreign control;
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

PricewaterhouseCoopers, LLC, 150 3rd Ave. S, Suite 1400, Nashville, TN 37201
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Gregory N. Malone, Appointed Actuary, Cigna Healthcare Reserving, 900 Cottage Grove Road, Bloomfield, CT 06002
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [X] No []
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$ 0

20.12 To stockholders not officers\$ 0

20.13 Trustees, supreme or grand (Fraternal Only) \$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$ 0

20.22 To stockholders not officers\$ 0

20.23 Trustees, supreme or grand (Fraternal Only) \$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other \$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$

22.22 Amount paid as expenses \$

22.23 Other amounts paid \$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [X] No []

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	
		25.28 On deposit with states	\$	8,046,466
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No [] N/A [X]

If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year.

\$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase Bank, N.A.	4 Chase MetroTech Center Brooklyn, New York 11245

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
105811	CIGNA Investments, Inc.	900 Cottage Grove Road, Bloomfield, CT 06002

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?
- Yes [] No [X]
- 29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		0

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	367,684,695	366,491,809	(1,192,886)
30.2 Preferred stocks	0		0
30.3 Totals	367,684,695	366,491,809	(1,192,886)

- 30.4 Describe the sources or methods utilized in determining the fair values:
Fair values are based on quoted market prices.
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:
.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid

34.1 Amount of payments for legal expenses, if any?\$0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61 Total premium earned

\$

0

1.62 Total incurred claims

\$

0

1.63 Number of covered lives

0

All years prior to most current three years:

1.64 Total premium earned

\$

0

1.65 Total incurred claims

\$

0

1.66 Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71 Total premium earned

\$

0

1.72 Total incurred claims

\$

0

1.73 Number of covered lives

0

All years prior to most current three years:

1.74 Total premium earned

\$

0

1.75 Total incurred claims

\$

0

1.76 Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator

2,209,296,062

2,203,228,301

2.2 Premium Denominator

2,209,296,062

2,203,228,301

2.3 Premium Ratio (2.1/2.2)

1.000

1.000

2.4 Reserve Numerator

181,528,198

203,704,832

2.5 Reserve Denominator

181,528,198

203,704,832

2.6 Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No []

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [] No [X]

5.2

If no, explain:
Management has elected not to purchase stop-loss reinsurance based on historical trends.

5.3

Maximum retained risk (see instructions)

5.31 Comprehensive Medical

\$

0

5.32 Medical Only

\$

0

5.33 Medicare Supplement

\$

0

5.34 Dental & Vision

\$

0

5.35 Other Limited Benefit Plan

\$

0

5.36 Other

\$

0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Contracts contain "hold-harmless" language.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

17,399

8.2 Number of providers at end of reporting year

20,733

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

\$

9.22 Business with rate guarantees over 36 months

\$

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses.....

\$9,230,620

10.22 Amount actually paid for year bonuses.....

\$(3,105,776)

10.23 Maximum amount payable withholds.....

\$

10.24 Amount actually paid for year withholds.....

\$

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or, .

Yes [] No [X]

11.14 A Mixed Model (combination of above)?

Yes [] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No []

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Texas

11.4 If yes, show the amount required.

\$ 1,700,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]

11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Alabama – Part D
Alaska – Part D
Arizona – Part D
Arkansas – Part D
California – Part D
Colorado – Part D
Connecticut – Part D
Delaware – Part D
District of Columbia – Part D
Florida – Part D
Georgia – Part D
Hawaii – Part D
Idaho – Part D
Illinois – Part D
Indiana – Part D
Iowa – Part D
Kansas – Part D
Kentucky – Part D
Louisiana – Part D
Maine – Part D
Maryland – Part D
Massachusetts – Part D
Michigan – Part D
Minnesota – Part D
Mississippi – Part D
Missouri – Part D
Montana – Part D
Nebraska – Part D
Nevada – Part D
New Hampshire – Part D
New Jersey – Part D
New Mexico – Part D
New York – Part D
North Carolina – Part D
North Dakota – Part D
Ohio – Part D
Oklahoma – Part D
Oregon – Part D
Pennsylvania – Part D
Rhode Island – Part D
South Carolina – Part D
South Dakota – Part D
Tennessee – Part D
Texas – Part D
Utah – Part D
Vermont – Part D
Virginia – Part D
Washington – Part D
West Virginia – Part D
Wisconsin – Part D
Wyoming – Part D
Catoosa, GA
Dade, GA
Walker, GA
Anderson, TX
Angelina, TX
Bexar, TX
Bowie, TX
Brazoria, TX
Cameron, TX
Camp, TX

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

1
Name of Service Area
Cass, TX
Chambers, TX
Cherokee, TX
Collin, TX
Cooke, TX
Dallas, TX
Delta, TX
Denton, TX
DuvalI, TX
Ellis, TX
El Paso, TX
Fannin, TX
Fort Bend, TX
Franklin , TX
Galveston, TX
Grayson, TX
Gregg, TX
Hardin, TX
Harris, TX
Harrison, TX
Henderson, TX
Hidalgo, TX
Hood, TX
Hopkins, TX
Houston, TX
Hunt, TX
Jasper, TX
Jefferson, TX
Jim Hogg, TX
Jim Wells, TX
Johnson, TX
Kaufman, TX
Lamar, TX
Liberty, TX
Marion, TX
Maverick, TX
McMullen , TX
Montague, TX
Montgomery, TX
Morris, TX
Nacogdoches, TX
Navarro, TX
Newton, TX
Nueces, TX
Orange , TX
Panola, TX
Parker, TX
Polk, TX
Rains, TX
Red River, TX
Rockwall, TX
Rusk, TX
Sabine, TX
San Augustine, TX
San Jacinto, TX
Shelby, TX
Smith, TX
Starr, TX
Tarrant, TX
Titus , TX
Travis, TX
Trinity, TX
Tyler, TX
Upshur, TX
Van Zandt, TX
Walker, TX
Waller, TX
Webb, TX
Willacy, TX
Wise, TX
Wood, TX
Zapata, TX
.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of funds administered as of the reporting date. \$
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [] N/A [X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- 15.1 Direct Premium Written\$0

15.2 Total Incurred Claims\$0

15.3 Number of Covered Lives0

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	613,953,794	586,050,035	671,908,978	796,241,036	529,652,410
2. Total liabilities (Page 3, Line 24)	286,576,831	257,315,426	287,174,011	356,922,081	212,150,131
3. Statutory minimum capital and surplus requirement	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
4. Total capital and surplus (Page 3, Line 33)	327,376,963	328,734,609	384,734,967	439,318,956	317,502,279
Income Statement (Page 4)					
5. Total revenues (Line 8)	2,213,499,831	2,205,421,691	2,124,314,637	2,167,787,015	2,066,085,119
6. Total medical and hospital expenses (Line 18)	1,815,181,348	1,823,249,406	1,737,091,020	1,711,096,177	1,657,566,392
7. Claims adjustment expenses (Line 20)	143,828,585	140,299,062	68,277,164	84,215,413	80,679,576
8. Total administrative expenses (Line 21)	223,274,842	192,290,949	205,581,871	183,561,772	164,710,434
9. Net underwriting gain (loss) (Line 24)	61,460,103	13,562,421	104,156,973	189,116,342	161,501,389
10. Net investment gain (loss) (Line 27)	8,451,012	10,043,997	5,968,440	4,137,501	3,118,228
11. Total other income (Lines 28 plus 29)	(607,154)	(6,325,295)	(16,162,584)	(11,307,022)	(365,721)
12. Net income or (loss) (Line 32)	46,054,710	(6,586,059)	57,404,471	118,002,056	104,972,710
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	103,716,862	(175,616,476)	(13,871,086)	381,847,876	76,597,203
Risk-Based Capital Analysis					
14. Total adjusted capital	327,376,963	328,734,609	384,734,967	439,318,956	317,502,379
15. Authorized control level risk-based capital	71,221,971	63,834,514	53,103,177	50,264,854	55,939,749
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	166,636	511,731	592,201	741,913	942,567
17. Total members months (Column 6, Line 7)	1,959,109	6,328,529	7,226,846	9,023,887	11,062,577
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	82.2	82.8	81.7	78.9	80.0
20. Cost containment expenses	5.9	5.9	2.7	3.6	2.2
21. Other claims adjustment expenses	0.6	0.5	0.5	0.3	1.7
22. Total underwriting deductions (Line 23)	97.4	99.5	95.0	91.3	93.2
23. Total underwriting gain (loss) (Line 24)	2.8	0.6	4.9	8.7	7.8
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	7,698,936	76,884,319	75,166,005	30,330,793	24,436,444
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	51,100,486	96,143,766	97,415,922	44,267,950	23,358,615
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?.....

Yes [] No []

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	L	81,161					81,161	
2.	Alaska	AK	L	15,026					15,026	
3.	Arizona	AZ	L	34,341					34,341	
4.	Arkansas	AR	L	23,238	15,610,037				15,633,274	
5.	California	CA	L	58,841					58,841	
6.	Colorado	CO	L	5,600					5,600	
7.	Connecticut	CT	L	5,862					5,862	
8.	Delaware	DE	L	9,469					9,469	
9.	District of Columbia	DC	L	12,769					12,769	
10.	Florida	FL	L	6,330					6,330	
11.	Georgia	GA	L	10,066	24,747,216				24,757,282	
12.	Hawaii	HI	L	11,305					11,305	
13.	Idaho	ID	L	21,845					21,845	
14.	Illinois	IL	L	279,618					279,618	
15.	Indiana	IN	L	12,385					12,385	
16.	Iowa	IA	L	4,108					4,108	
17.	Kansas	KS	L	6,736					6,736	
18.	Kentucky	KY	L	9,607					9,607	
19.	Louisiana	LA	L	75,990					75,990	
20.	Maine	ME	L	2,062					2,062	
21.	Maryland	MD	L	52,490					52,490	
22.	Massachusetts	MA	L	12,582					12,582	
23.	Michigan	MI	L	29,852					29,852	
24.	Minnesota	MN	L	5,533					5,533	
25.	Mississippi	MS	L	67,761					67,761	
26.	Missouri	MO	L	9,345					9,345	
27.	Montana	MT	L	1,746					1,746	
28.	Nebraska	NE	L	2,157					2,157	
29.	Nevada	NV	L	7,285					7,285	
30.	New Hampshire	NH	L	1,603					1,603	
31.	New Jersey	NJ	L	6,284					6,284	
32.	New Mexico	NM	L	1,164					1,164	
33.	New York	NY	L	262,886					262,886	
34.	North Carolina	NC	L	7,187					7,187	
35.	North Dakota	ND	L	1,161					1,161	
36.	Ohio	OH	L	11,310					11,310	
37.	Oklahoma	OK	L	12,076					12,076	
38.	Oregon	OR	L	42,457					42,457	
39.	Pennsylvania	PA	L	67,937					67,937	
40.	Rhode Island	RI	L	1,726					1,726	
41.	South Carolina	SC	L	10,209					10,209	
42.	South Dakota	SD	L	1,180					1,180	
43.	Tennessee	TN	L	109,779					109,779	
44.	Texas	TX	L	317,993	1,341,219,894	825,835,340			2,167,373,228	
45.	Utah	UT	L	18,128					18,128	
46.	Vermont	VT	L	1,451					1,451	
47.	Virginia	VA	L	10,786					10,786	
48.	Washington	WA	L	93,569					93,569	
49.	West Virginia	WV	L	19,398					19,398	
50.	Wisconsin	WI	L	9,529					9,529	
51.	Wyoming	WY	L	652					652	
52.	American Samoa	AS	N						0	
53.	Guam	GU	N						0	
54.	Puerto Rico	PR	N						0	
55.	U.S. Virgin Islands	VI	N						0	
56.	Northern Mariana Islands	MP	N						0	
57.	Canada	CAN	N						0	
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59.	Subtotal	XXX	1,883,575	1,381,577,147	825,835,340	0	0	0	2,209,296,062	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 51	1,883,575	1,381,577,147	825,835,340	0	0	0	2,209,296,062	0
DETAILS OF WRITE-INS										
58001.	.....	XXX								
58002.	.....	XXX								
58003.	.....	XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

Part D premiums are allocated based on prior year MMR data by state.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

The following is a listing identifying and indicating the interrelationships among all affiliated insurers (identified by an asterisk, and if such insurer is incorporated in the United States of America, by a Federal Employer Identification Number, NAIC Company Code and Jurisdiction of Incorporation) and all other affiliates, as of December 31, 2015:

<u>Cigna CORPORATION</u> (A Delaware corporation and ultimate parent company)	
<u>Cigna Holdings, Inc.</u>	
<u>Cigna Intellectual Property, Inc.</u>	
<u>Cigna Investment Group, Inc.</u>	
<u>Cigna International Finance Inc.</u>	
<u>Former Cigna Investments, Inc.</u>	
<u>Cigna Investments, Inc.</u>	
<u>Cigna Mezzanine Partners III, Inc.</u>	
<u>Cigna Mezzanine Partners III, LP</u>	
<u>Cigna Benefits Financing, Inc.</u> (EI # 010947889, DE)	
<u>Connecticut General Corporation</u>	
<u>Benefit Management Corp.</u> (EI # 81-0585518)	
<u>*Allegiance Life & Health Insurance Company</u> (EI # 20-4433475, NAIC # 12814, MT)	
<u>*Allegiance Re, Inc.</u> (EI # 20-3851464, MT)	
<u>Allegiance Benefit Plan Management, Inc.</u>	
<u>Allegiance COBRA Services, Inc.</u>	
<u>Allegiance Provider Direct, LLC</u>	
<u>Community Health Network, LLC</u>	
<u>Intermountain Underwriters, Inc.</u>	
<u>Star Point, LLC</u>	
<u>HealthSpring, Inc.</u>	
<u>NewQuest, LLC</u>	
<u>NewQuest Management Northeast, LLC</u>	
<u>*Bravo Health Mid-Atlantic, Inc.</u> (EI # 52-2259087, NAIC # 10095, MD)	
<u>*Bravo Health Pennsylvania, Inc.</u> (EI # 52-2363406, NAIC # 11254, PA)	
<u>*HealthSpring Life & Health Insurance Company</u> (EI # 20-8534298, NAIC # 12902, TX)	
<u>*HealthSpring of Alabama, Inc.</u> (EI # 63-0925225, NAIC # 95781, AL)	
<u>*HealthSpring of Florida, Inc.</u> (EI # 65-1129599, NAIC #11532, FL)	
<u>NewQuest Management of Illinois, LLC</u>	
<u>NewQuest Management of Florida, LLC</u>	
<u>HealthSpring Management of America, LLC</u>	
<u>NewQuest Management of West Virginia, LLC</u>	
<u>TexQuest, LLC</u>	
<u>HouQuest, LLC</u>	
<u>GulfQuest, LP</u>	
<u>NewQuest Management of Alabama, LLC</u>	
<u>HealthSpring USA, LLC</u>	
<u>HealthSpring Management, Inc.</u>	
<u>HealthSpring of Tennessee, Inc.</u> (EI # 62-1593150, NAIC # 11522, MD)	
<u>Tennessee Quest, LLC</u>	
<u>HealthSpring Pharmacy Services, LLC</u>	
<u>HealthSpring Pharmacy of Tennessee, LLC</u>	
<u>Home Physicians Management, LLC</u>	
<u>*Cigna Arbor Life Insurance Company</u> (EI # 03-0452349, NAIC # 13733, CT)	
<u>Cigna Behavioral Health, Inc.</u>	
<u>Cigna Behavioral Health of California, Inc.</u> (EI# 94-3107309)	

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

		<u>Cigna Behavioral Health of Texas, Inc.</u> (EI# 75-2751090)
		<u>MCC Independent Practice Association of New York, Inc.</u>
	<u>Cigna Dental Health, Inc.</u>	
		<u>Cigna Dental Health of California, Inc.</u> (EI# 59-2600475, CA)
		<u>Cigna Dental Health of Colorado, Inc.</u> (EI# 59-2675861, NAIC # 11175, CO)
		<u>Cigna Dental Health of Delaware, Inc.</u> (EI# 59-2676987, NAIC # 95380, DE)
		<u>Cigna Dental Health of Florida, Inc.</u> (EI# 59-1611217, NAIC # 52021, FL)
		<u>Cigna Dental Health of Illinois, Inc.</u> (EI# 06-1351097, IL)
		<u>Cigna Dental Health of Kansas, Inc.</u> (EI# 59-2625350, NAIC # 52024, KS)
		<u>Cigna Dental Health of Kentucky, Inc.</u> (EI# 59-2619589, NAIC # 52108, KY)
		<u>Cigna Dental Health of Missouri, Inc.</u> (EI#06-1582068, NAIC # 11160, MO)
		<u>Cigna Dental Health of New Jersey, Inc.</u> (EI# 59-2308062, NAIC # 11167, NJ)
		<u>Cigna Dental Health of North Carolina, Inc.</u> (EI# 56-1803464 , NAIC # 95179, NC)
		<u>Cigna Dental Health of Ohio, Inc.</u> (EI# 59-2579774, NAIC # 47805, OH)
		<u>Cigna Dental Health of Pennsylvania, Inc.</u> (EI# 52-1220578, NAIC # 47041, PA)
		<u>Cigna Dental Health of Texas, Inc.</u> (EI# 59-2676977, NAIC # 95037, TX)
		<u>Cigna Dental Health of Virginia, Inc.</u> (EI# 52-2188914, NAIC # 52617, VA)
		<u>Cigna Dental Health Plan of Arizona, Inc.</u> (EI# 86-0807222, NAIC # 47013, AZ)
		<u>Cigna Dental Health of Maryland, Inc.</u> (EI#20-2844020, NAIC #48119, MD)
	<u>Cigna Health Corporation</u>	
		<u>Healthsource, Inc.</u>
		<u>Cigna HealthCare of Arizona, Inc.</u> (EI# 86-0334392, NAIC#95125, AZ)
		<u>Cigna HealthCare of California, Inc.</u> (EI# 95-3310115, CA)
		<u>Cigna HealthCare of Colorado, Inc.</u> (EI# 84-1004500, NAIC # 95604, CO)
		<u>Cigna HealthCare of Connecticut, Inc.</u> (EI# 06-1141174, NAIC # 95660, CT)
		<u>Cigna HealthCare of Florida, Inc.</u> (EI# 59-2089259, NAIC # 95136, FL)
		<u>Cigna HealthCare of Illinois, Inc.</u> (EI# 36-3385638, NAIC # 95602, IL)
		<u>Cigna HealthCare of Maine, Inc.</u> (EI# 01-0418220, NAIC # 95447, ME)
		<u>Cigna HealthCare of Massachusetts, Inc.</u> (EI# 02-0402111, NAIC # 95220, MA)
		<u>Cigna HealthCare Mid-Atlantic, Inc.</u> (EI# 52-1404350, NAIC # 95599, MD)
		<u>Cigna HealthCare of New Hampshire, Inc.</u> (EI# 02-0387749, NAIC # 95493, NH)
		<u>Cigna HealthCare of New Jersey, Inc.</u> (EI# 22-2720890, NAIC # 95500, NJ)
		<u>Cigna HealthCare of Pennsylvania, Inc.</u> (EI# 23-2301807, NAIC # 95121, PA)
		<u>Cigna HealthCare of St. Louis, Inc.</u> (EI# 36-3359925, NAIC # 95635, MO)
		<u>Cigna HealthCare of Utah, Inc.</u> (EI# 62-1230908, NAIC # 95518, UT)
		<u>Cigna HealthCare of Georgia, Inc.</u> (EI# 58-1641057, NAIC # 96229, GA)
		<u>Cigna HealthCare of Texas, Inc.</u> (EI# 74-2767437, NAIC # 95383, TX)
		<u>Cigna HealthCare of Indiana, Inc.</u> (EI# 35-1679172, NAIC # 95525, IN)

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

				<u>Cigna HealthCare of Tennessee, Inc.</u> (EI# 62-1218053, NAIC # 95606, TN)
				<u>Cigna HealthCare of North Carolina, Inc.</u> (EI# 56-1479515, NAIC# 95132, NC)
				<u>Cigna HealthCare of South Carolina, Inc.</u> (EI# 06-1185590, NAIC # 95708, SC)
				<u>*Temple Insurance Company Limited</u>
				<u>Arizona Health Plan, Inc.</u>
				<u>Healthsource Properties, Inc.</u>
				<u>Managed Care Consultants, Inc.</u>
				<u>Choicelinx Corporation</u>
				<u>Sagamore Health Network, Inc.</u>
				<u>Cigna Healthcare Holdings, Inc.</u> (EI# 84-0985843)
				<u>Great-West Healthcare of Illinois, Inc.</u> (EI# 93-1174749, NAIC 95388, IL)
				<u>Cigna Healthcare, Inc.</u>
				<u>*Cigna Life Insurance Company of New York</u> (EI# 13-2556568, NAIC # 64548, NY)
				<u>*Connecticut General Life Insurance Company</u> (EI# 06-0303370, NAIC # 62308, CT)
				<u>CG Mystic Center LLC</u>
				<u>Station Landing LLC</u>
				<u>CG Mystic Land LLC</u>
				<u>ND/CG Holding LLC</u>
				<u>CG Skyline, LLC</u>
				<u>Skyline ND/CG LLC</u>
				<u>ND Mystic Center Note LLC</u>
				<u>Skyline Mezzanine Borrower, LLC</u>
				<u>Skyline at Station Landing, LLC</u>
				<u>Careallies, LLC</u>
				<u>CG Bayport LLC</u>
				<u>Bayport Colony Apartments LLC</u>
				<u>Cigna Onsite Health, LLC</u>
				<u>Gillette Ridge Community Council, Inc.</u>
				<u>Gillette Ridge Golf LLC</u>
				<u>Hazard Center Investment Company LLC</u>
				<u>Tel-Drug of Pennsylvania, LLC</u>
				<u>GRG Acquisitions LLC</u>
				<u>Cigna Affiliates Realty Investment Group, LLC</u> (EI# 27-5402196, DE)
				<u>CR Longwood Investors, LP</u>
				<u>ND/CR Longwood LLC</u>
				<u>ARE/ND/CR Longwood LLC</u>
				<u>121 Tasman Apartments LLC</u>
				<u>Secon Properties, LP</u>
				<u>Transwestern Federal Holdings, L.L.C.</u>
				<u>Transwestern Federal, L.L.C.</u>
				<u>Market Street Residential Holdings LLC</u>
				<u>Arborpoint at Market Street LLC</u>
				<u>Diamondview Tower CM-CG LLC</u>
				<u>CR Washington Street Investors LP</u>
				<u>Civic Holding LLC</u>
				<u>Dulles Town Center Mall, LLC</u>
				<u>AEW/FDG, LP</u>
				<u>ND/CR Unicorn LLC</u>
				<u>Union Wharf Apartments LLC</u>
				<u>AMD Apartments Limited Partnership</u>

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

				<u>SP Newport Crossing LLC</u>
				<u>PUR Arbors Apartments Venture LLC</u>
				<u>CG Seventh Street, LLC</u>
				<u>Ideal Properties II LLC</u>
				<u>Alessandro Partners, LLC</u>
				<u>Mallory Square Partners I, LLC</u>
				<u>Houston Briar Forest Apartments Limited Partnership</u>
				<u>Newtown Partners II, LP</u>
				<u>Newtown Square GP LLC</u>
				<u>AFA Apartments Limited Partnership</u>
				<u>SB-SNH LLC</u>
				<u>680 Investors LLC</u>
				<u>685 New Hampshire LLC</u>
				<u>CGGL 18301 LLC</u>
				<u>Unico/CG Commonwealth LLC</u>
				<u>Commonwealth Acquisition LLC</u>
				<u>222 Main Street Caring GP LLC</u>
				<u>222 Main Street Investors LP</u>
				<u>Notch 8 Residential, L.L.C.</u>
				<u>UVL, LLC</u>
				<u>3601 North Fairfax Drive Associates, LLC</u>
				<u>CI Perris 151, LLC</u>
				<u>Lakehills CM - CG LLC</u>
				<u>CORAC LLC</u>
				<u>Bridgepoint Office Park Associates, LLC</u> (EI# 27-3923999, DE)
				<u>Fairway Center Associates, LLC</u> (EI# 27-3126102, DE)
				<u>Henry on the Park Associates, LLC</u> (EI 27-3582688, DE)
				<u>*Cigna Health and Life Insurance Company</u> (EI # 59-1031071, NAIC # 67369, CT)
				<u>CarePlexus, LLC</u> (EI# 45-2681649; DE)
				<u>Cigna Corporate Services, LLC</u> (EI 27-3396038, DE)
				<u>Cigna Insurance Agency, LLC</u> (EI # 27-1903785, CT)
				<u>Ceres Sales of Ohio, LLC</u> (EI # 34-1970892, OH)
				<u>Central Reserve Life Insurance Company</u> (EI # 34-0970995, NAIC # 61727, OH)
				<u>Provident American Life & Health Insurance Company</u> (EI # 23-1335885, NAIC # 67903, OH)
				<u>United Benefit Life Insurance Company</u> (EI # 75-2305400, NAIC # 65269, OH)
				<u>Loyal American Life Insurance Company</u> (EI # 63-0343428, NAIC # 65722, OH)
				<u>American Retirement Life Insurance Company</u> (EI # 59-2760189, NAIC # 88366, OH)
				<u>QualCare Alliance Networks, Inc.</u>
				<u>QualCare, Inc.</u>
				<u>Scibal Associates, Inc.</u>
				<u>QualCare Captive Insurance Company Inc., PCC</u>
				<u>QualCare Management Resources Limited Liability Company</u>
				<u>Health-Lynx, LLC</u>
				<u>Sterling Life Insurance Company</u>
				<u>Olympic Health Management Sytesms, Inc.</u>
				<u>Olympic Health Management Services, Inc.</u>
				<u>WorldDoc, Inc.</u>
				<u>Cigna Health Management, Inc.</u> (EI# 23-1728483, DE)
				<u>Kronos Optimal Health Company</u> (20-8064696, AZ)
				<u>*Life Insurance Company of North America</u> (EI# 23-1503749, NAIC # 65498, PA)

SCHEDULE Y

PART 1 – ORGANIZATIONAL CHART

		*Cigna & CMB Life Insurance Company Limited (remaining interest owned by an unaffiliated party)
		Cigna Direct Marketing Company, Inc.
		Tel-Drug, Inc.
		Vielife Holdings Limited
		Vielife Limited
		Vielife Services, Inc.
		Businesshealth UK Limited
		CG Individual Tax Benefit Payments, Inc.
		CG Life Pension Benefits Payments, Inc.
		CG LINA Pension Benefits Payments, Inc.
		Cigna Federal Benefits, Inc.
		Cigna Healthcare Benefits, Inc.
		Cigna Integratedcare, Inc.
		Cigna Managed Care Benefits Company
		Cigna Re Corporation
		Blodget & Hazard Limited
		Cigna Resource Manager, Inc.
		Connecticut General Benefit Payments, Inc.
		Healthsource Benefits, Inc.
		IHN, Inc.
		LINA Benefit Payments, Inc.
		Mediversal, Inc.
		Universal Claims Administration
		Cigna Global Holdings, Inc.
		Cigna International Corporation, Inc.
		Cigna International Services, Inc.
		Cigna International Marketing (Thailand) Limited
		CGO Participatos LTDA
		YCFM Servicios LTDA
		*Cigna Global Reinsurance Company, Ltd.
		Cigna Holdings Overseas, Inc.
		Cigna Bellevue Alpha LLC
		Cigna Linden Holdings, Inc.
		Cigna Laurel Holdings, Ltd.
		Cigna Palmetto Holdings, Ltd.
		Cigna Apac Holdings Limited
		Cigna Alder Holdings, LLC
		Cigna Walnut Holdings, Ltd.
		Cigna Chestnut Holdings, Ltd.
		*LINA Life Insurance Company of Korea
		Cigna Korea Foundation
		Cigna International Services Australia Pty Ltd.
		Cigna Hong Kong Holdings Company Limited
		Cigna Data Services (Shanghai) Company Limited
		Cigna HLA Technology Services Limited
		*Cigna Worldwide General Insurance Company Limited
		*Cigna Worldwide Life Insurance Company Limited
		Cigna International Health Services Sdn Bhd.
		*Cigna Life Insurance New Zealand Limited
		*Cigna Life Insurance Company of Canada
		(AA-1560515)
		Cigna Korea Chusik Heosa (A/K/A Cigna Korea Company Limited)
		LINA Financial Service
		RHP (Thailand) Limited
		*Cigna Brokerage & Marketing (Thailand) Limited
		KDM (Thailand) Limited
		*Cigna Insurance Public Company Limited
		Cigna Taiwan Life Assurance Company Limited
		Cigna Myrtle Holdings, Ltd.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpring Life & Health Insurance Company, Inc.

SCHEDULE Y

PART 1 – ORGANIZATIONAL CHART

				|Cigna Elmwood Holdings, SPRL
				|Cigna Beechwood Holdings
				Cigna Life Insurance Company of Europe S.A.-N.V.
				Cigna Europe Insurance Company S.A.-N.V.
				|Cigna European Services (UK) Limited
				|Cigna 2000 UK Pension LTD
				|Cigna Oak Holdings, LTD.
				Cigna Willow Holdings, LTD.
				FirstAssist Administration Limited
				Cigna Legal Protection Limited
Ltd.				Cigna Insurance Services (Europe)
				|Cigna International Health Services, BVBA
				Cigna International Health Services, LLC
				|Cigna International Health Services Kenya Limited
				|Cigna Sequoia Holdings, SPRL
				Cigna Magnolia Holdings, Ltd.
				Cigna Turkey Danismanlik Hizmetleri, A.S (A/K/A Cigna Turkey Consultancy Services, A.S.)
				Cigna Nederland Alpha Cooperatief U.A.
				Cigna Nederland Beta B.V.
				Cigna Nederland Gamma B.V.
				Cigna Finans Emeklilik Ve Hayat A.S.
				Cigna Health Solution India Pvt. Ltd.
				Cigna Poplar Holdings, Inc.
				PT GAR Indonesia
				PT PGU Indonesia
				*Cigna Global Insurance Company Limited
				Cigna TTK Health Insurance Company Limited
				Cigna Saico Benefits Services W.L.L.
				*Cigna Worldwide Insurance Company (EI# 23-2088429, NAIC # 90859, DE)
				*PT. Asuransi Cigna
				Cigna Teak Holdings, LLC

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Stipends – Provider			4,500		4,500
2505. Claims Adjustment Expense – Other		354,380			354,380
2597. Summary of remaining write-ins for Line 25 from overflow page	0	354,380	4,500	0	358,880

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business 7

Assets 2

Cash Flow 6

Exhibit 1 - Enrollment By Product Type for Health Business Only 17

Exhibit 2 - Accident and Health Premiums Due and Unpaid 18

Exhibit 3 - Health Care Receivables 19

Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued 20

Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus 21

Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates 22

Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates 23

Exhibit 7 - Part 1 - Summary of Transactions With Providers 24

Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries 24

Exhibit 8 - Furniture, Equipment and Supplies Owned 25

Exhibit of Capital Gains (Losses) 15

Exhibit of Net Investment Income 15

Exhibit of Nonadmitted Assets 16

Exhibit of Premiums, Enrollment and Utilization (State Page) 30

Five-Year Historical Data 29

General Interrogatories 27

Jurat Page 1

Liabilities, Capital and Surplus 3

Notes To Financial Statements 26

Overflow Page For Write-ins 44

Schedule A - Part 1 E01

Schedule A - Part 2 E02

Schedule A - Part 3 E03

Schedule A - Verification Between Years SI02

Schedule B - Part 1 E04

Schedule B - Part 2 E05

Schedule B - Part 3 E06

Schedule B - Verification Between Years SI02

Schedule BA - Part 1 E07

Schedule BA - Part 2 E08

Schedule BA - Part 3 E09

Schedule BA - Verification Between Years SI03

Schedule D - Part 1 E10

Schedule D - Part 1A - Section 1 SI05

Schedule D - Part 1A - Section 2 SI08

Schedule D - Part 2 - Section 1 E11

Schedule D - Part 2 - Section 2 E12

Schedule D - Part 3 E13

Schedule D - Part 4 E14

Schedule D - Part 5 E15

Schedule D - Part 6 - Section 1 E16

Schedule D - Part 6 - Section 2 E16

Schedule D - Summary By Country SI04

Schedule D - Verification Between Years SI03

Schedule DA - Part 1 E17

Schedule DA - Verification Between Years SI10

Schedule DB - Part A - Section 1 E18

Schedule DB - Part A - Section 2 E19

Schedule DB - Part A - Verification Between Years SI11

Schedule DB - Part B - Section 1 E20

Schedule DB - Part B - Section 2 E21

Schedule DB - Part B - Verification Between Years SI11

Schedule DB - Part C - Section 1 SI12

Schedule DB - Part C - Section 2 SI13

Schedule DB - Part D - Section 1 E22

Schedule DB - Part D - Section 2 E23

Schedule DB - Verification SI14

Schedule DL - Part 1 E24

Schedule DL - Part 2 E25

Schedule E - Part 1 - Cash E26

Schedule E - Part 2 - Cash Equivalents E27

Schedule E - Part 3 - Special Deposits E28

Schedule E - Verification Between Years SI15

ANNUAL STATEMENT BLANK (Continued)

Schedule S - Part 1 - Section 2	31
Schedule S - Part 2	32
Schedule S - Part 3 - Section 2	33
Schedule S - Part 4	34
Schedule S - Part 5	35
Schedule S - Part 6.....	36
Schedule S - Part 7.....	37
Schedule T - Part 2 - Interstate Compact	39
Schedule T - Premiums and Other Considerations	38
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14